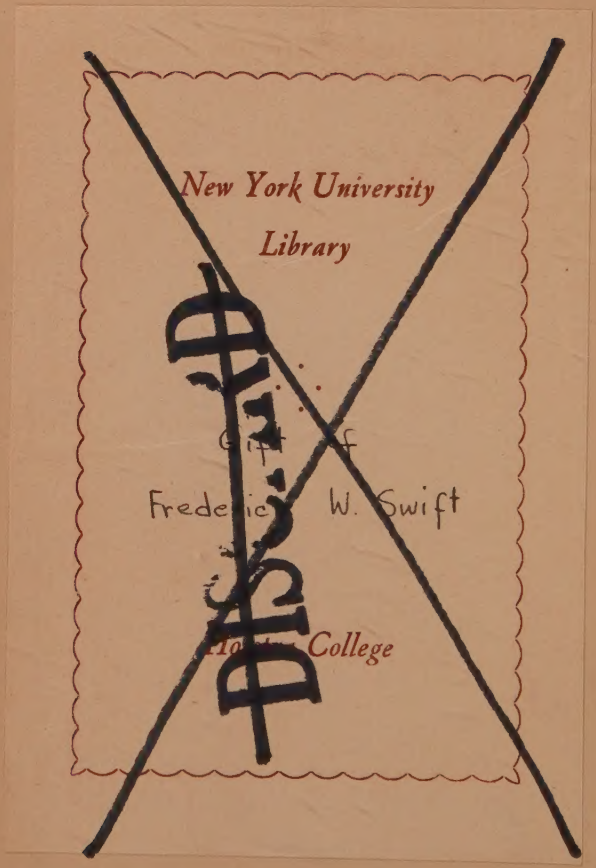
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War for profits

WAR FOR PROFITS

WAR FOR PROFITS

BY

OTTO LEHMANN-RUSSBÜLDT

TRANSLATED AND WITH AN INTRODUCTION BY
PIERRE LOVING

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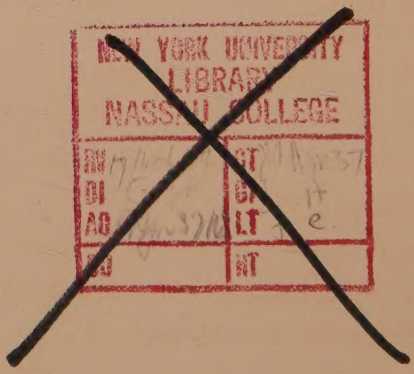

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INTRODUCTION

THEN may the gods not quench
The fated strife betwixt them, and the end
May it be for me to give them . . .

Œdipus Coloneus

INTRODUCTION

I

In ancient Greece the Amphictyonic Council, springing out of the common worship of the Hellenes, was formed to inaugurate a reign of peace among the Greek States; and on the other side of the globe, about 300 A.D., the League of Nations' idea took shape in China. Since then many tentative designs have been put forward whereby, as it was thought, war might be abolished; and nowadays the desirability of peace—save by a handful of militarists and Fascist intellectuals—is no longer held in doubt. Today, indeed, we propagate the gospel of peace, we pass resolutions in world-congresses, we devise pamphlet campaigns and other measures to outlaw war. Yet behind the screen of all this modern evangelism, behind councils and conferences and world courts, the nations think on war and diligently prepare for it.

When we glance back at the long periods of suspension of arms, we are of course tempted to pronounce such epochs civilized and humane, just as we condemn offhand war-ravaged eras as bar-

barous. Certain modern historians point with complacency to the nineteenth century as perhaps the most peaceful in all history: that is to say, it was less marked by wars than other centuries. Even excepting the American Civil War (which was the most sanguinary in all history up to that period), the age was one of colossal preparedness, of huge standing armies and of naval fleets scrapped and built anew every ten years or so.

In every department of its activities the nineteenth century presupposed a war, especially in Europe; and the nations sent their delegates to peace congresses only because they dreaded a new and terrible kind of war. The outward demeanor of a nation or race is not to be trusted implicitly. Von Moltke referred to the English as the least military but the most warlike people in Europe; by which he meant that, once aroused, the Englishman is a dogged and unyielding fighter. If this be true of epochs and peoples, it is no less true of individuals. Even the pacific Renan, the author of the *Life of Jesus,* said: "Let us cling with love to our custom of fighting from time to time, because war is the necessary occasion and place for manifesting moral force."

At various times religion has been drafted to justify war or to condemn it. The tenets of nearly all religions, certainly of the major ones, do not

forbid war. In the *Bhagavadgita* we are given an excellent illustration of the typical attitude of religion toward war, which is, in brief, one of metaphysical indifference. Arguna, the Achilles of the *Mahabharata,* racked in his conscience as to the propriety of waging war, appealed to Krishna to allay his prickly doubts. Krishna serenely replied that, since Arguna is a "mighty man," a warrior, it is his business to fight. This is his worldly duty, and it in no way affects his purely religious nature or his soul. In selfsame fashion, the ancient Greeks never challenged the inevitability of war, but accepted it quite passively as one of the attributes of man's fate on earth. Moreover, even the gods fought, and over the most trivial causes.

In this connection we are reminded of the Trojan elders who, when they had once cast eyes on Helen, murmured: Ou Nemesis—No reproach! That thousands of the best stock of Greece should be slain was of the smallest moment since the prize, Helen (whose comely face had launched a thousand ships in Hellas) altogether counterbalanced the wanton loss. Nowadays, however, when a war is brought to a close and a peace treaty signed, the whole thing is deplored as a futile massacre, long after regretted by both combatants and non-combatants. It is only the instruments of war—to be precise, the machine—that may be

fabled as rejoicing in the holocaust; for it is the machine alone that is gladdened and enriched. The power of the machine is increased, and the missteps of the late conflict only give rise to new inventions that perfect the efficiency of the war-monsters whose rôle is to belch forth death and destruction.

Moral equivalents for war do, however, exist; but the nations do not resort to them in periods of crisis and war-fever. When a man is endowed with extraordinary strength or intelligence, he craves to exercise these faculties; he seeks expansion; he wishes to unify the world and subdue it to his ego. When the unity is at last achieved —if it ever is—he proceeds to identify himself with it. The enemy, let us say, is vanquished. Almost at once the conqueror turns himself into the likeness of his former enemy. The victors in the last war have, it seems, adopted all the mental apparatus and military devices of the Prussians they once despised and feared and overcame. This principle is a well-known fact of myth and folklore.

II

The combative instinct, as William Janes realized when he made his suggestion for moral equivalents of war, lurks in the bosom of man;

but not the principle of machined and highly organized warfare. This system is set in motion by newspapers, pulpits and other forms of efficient propaganda, to which we must now add the cinema and the radio. Thus populations are incited to the pitch of war-frenzy. An appeal is sometimes made to a common blood origin; but this symbiosis—to use Count Coundehove-Kalergi's term—does not in fact exist, since there is no pure-blooded race in Europe today. Nations today are built upon economic unity and a common ideal rather than upon a commonalty of blood! It is this self-integrating ideal that is apt to become, under the most favorable circumstances, a great moral force in the world.

But blood-origin is one of the favorite specious texts of the fiery chauvinist, the Black Shirt; and the statesman, who is rarely a humanitarian, uses it at need. For the statesman, alas, is actuated by neither religion nor morality; although his reasons are usually reasons of state, he is inspired chiefly, as we know, by political interest and caution. John Knox's Scottish fulminations require no whit of emendation at the present hour. He said: "Plausible words are used, but they are used to hide the deformity of real principles. Whenever war is deemed desirable in an inter-

ested view, a specious text never yet remained unfound."

Misunderstandings between peoples come to strengthen the hand of the patrioteer and to encourage wars. Modern life is a farrago of indirect communications between man and man, between group and group. Between the common man of one national group and the common man of another national group stand the barriers of legend, history, politicians, muckrakers, business interests, propagandists, newspapers, myopic and untrained observers and language fences. Suddenly, an unexpected or an expected issue surges up, a slogan or two is flung from editorial column to editorial column, telegraph wires begin working feverishly, notes are exchanged. When the public wakes up, war is an accomplished fact.

These forces, once they are launched, are machine-like in the procedure. Indifference to death, as an ethical phenomenon, grows apace in modern civilized communities; and casualties in war-time are cited with all the anguish bowdlerized: the dismemberment of limbs; the maiming of organs; evisceration; groveling fear and hysteria; groans from sprawling bodies; the icy stare of sightless eyes under an unpitying, smoky sky; the thunder of the big guns that severs a man's genitals; gas, the invisible, creeping enemy that

The King's Library

chokes the lungs and makes men cry for a trickle of breath, no matter how brave and grown-up they seemed when with fife and drum they marched proudly down Main Street.

The machine has tended to blunt our sensibilities and passions, in return for which it has introduced a certain amount of luxury. It has taught us to deal in vast, incomprehensible figures. As we grow accustomed to the vastness of numbers (such as, for example, the distances of the stars and the dimensions of space) we tend to become less and less awed at their size, and the reality they symbolize fades far into a dim horizon. This is true of the casualties of war. "Fifty thousand killed on both sides today"—such a *communiqué* means fifty thousand or a hundred thousand—scarcely anything else. Surely it does not mean, for it does not say: my son or my brother!

Vengeful hatred may of course be fired by stories of atrocities. But after the war is over people become humane again, not by dint of dogma or teaching, but rather because they must. I once saw this happen, after the war, at Belleau Wood. An American father and a German father met at the cemetery. The American stood above a neat grave with a wooden cross. The German had not even so much of concrete symbol to console him. All that he knew was that, years before,

his son had fallen there. The meeting was strangely moving. The two men were clumsily drawn to each other, embarrassed, at a loss, with only bald, commonplace words to answer what they felt within.

In such an intimate and direct way Dr. Lehmann-Russbüldt feels the horror of war, and he would do something about it. He was a medical officer during the Great War and he had ample opportunity to gauge the meaning of the human sacrifice. He perceives the rôle machinery will play in future conflicts. He warns us in particular against poison gas. The real danger comes from those, he maintains, who profit from war, and he seizes naturally on the armament-makers. His data and proofs are presented in an orderly and sober fashion. He does not becloud the issue with emotional hysteria. Behind the statements of fact, the figures, the prosaic account of the fight for oil, lowers the terrible overshadowing doom, to be rained down from aircraft in the shape of gas-bombs. Whole cities will be razed by phosgene; there will be sanctuary neither for combatant nor noncombatant.

In spite of the London naval conference, the whole world seems to be preparing for that fatal, not-too-remote hour. Does this seem far-fetched or hysterical? I beg the reader to turn for con-

firmation to the newspapers of February 4, 1930. Despatches from London quote the President of the Society of the British Chemical Industry as saying: "If ships, guns and man-power are decreased, it becomes necessary to give greater importance to the chemical arm of warfare." What this portends was strikingly shown in simulacrum on the occasion of the Hamburg gas explosion.

Dr. Lehman-Russbüldt, however, does not believe civilization to be dead or suicidal. He is optimistic; he makes concrete proposals to abolish profits in armaments. He conceives that the remedy can actually be achieved through national legislation. If not, the next war looms as a most gruesome spectre. Death will be made more natural to man, as during the Black Plague. It will be domesticated with the abracadabra of numbers: 50,000,—100,000—10,000,000!

And after the next war—what?

PIERRE LOVING

WAR FOR PROFITS

WAR FOR PROFITS

I

PROGRESS OF THE ART OF WAR

In what follows an attempt will be made to outline briefly the main steps in the development of the art of war.

At the dawn of the so-called Heroic Age fighting took place on a man-to-man basis. The dressing of the balance in favor of one side or the other depended, in consequence, on numerical power: the individual unit in the aggregate was all-important. Weapons, such as spears and arrows, which could be thrown or shot from a distance were during this epoch secondary to the weapons of close combat, such as the sword and the lance.

The Greek phalanx, whose maneuvers have been picturesquely described by writers as "the waltzing of the lances," and the Roman military formation such as *testudo* or tortoise-shell, that is, a moving wall of shields, lost or won battles in accordance with the mass effectiveness of the whole army. Nevertheless, even then, the muscular prowess of the individual warrior still proved

the decisive factor when opposed by superior military organization, as in the case of the Roman wars against the Parthians and the peoples of northern Europe.

The invention of fire-arms marks the end of the period which was signalized by the invincibility of muscular prowess, and the rise of long-distance engagements. Thenceforward the brain of man comes to be more and more the decisive factor, first, as I have already said, through the invention of long-distance fire-arms, and secondly, through the systematic perfection of mass organization.* Decisions, however, still lie within the two-dimensional field, as in the World War, which marks the pinnacle of this particular development. But the close of the World War showed another advance, and this advance alone is of greater significance than any other in the entire history of warfare.

From this advance we draw the inevitable conclusion that war is about to take a new direction. It is perfectly clear nowadays that the two-dimensional stage has been passed, and a third dimension has been reached, this being represented by the conquest of the air. Instead of the long-range

* It was at the Battle of Crécy that the arquebus showed its superiority to heavy metal armor, lances and arrows. The first effective mass-fire of artillery took place at the Battle of Valmy in 1788.—Tr.

mass-fire of individual units, we now have the long-range effect of a gas-releasing aggregate, probably by way of a fleet of airplanes, and thus we come to gas warfare. Still man sits in the center of the war machine. The only notable difference is this: It is not human muscle but mind and nerves which to-day constitute the decisive factor.

As a social phenomenon (to consider no other aspect of the subject for the present), war now threatens the complete annihilation of both sides involved; and the mere skill of the single combatant ceases to have any importance, and victory is only a snare and a delusion.

* * *

Throughout the period of the World War the traditional form of international movements underwent no essential change. It may be admitted, and should be recognized, that international interests on certain specific planes can and should throw up a defensive wall to protect themselves. Any useful international organization composed, let us say, of common people can only prove of inestimable service to the nations, and does not perforce commit them to any form of sacrifice. Before the outbreak of the war, the following movements purported to be international in scope:

a. The world-wide religions, especially Roman Catholicism.

b. Art and Science.

c. Socialism.

d. The Peace Movement and Freemasonry.

Through personal intercourse, made possible by highly developed means of transportation and commerce, peoples have been gradually brought together in a common bond of international feeling. But this progress has been achieved at the expense of other things, and we note some powerful hindrances. During the World War we observed a peculiar phenomenon: all these bonds—or nearly all of them—were summarily shattered. The very organizations which on their own account had prized internationalism most highly declared at the time that the concept of the nation should be put before everything else. On the other hand, wondrous to behold! the strictly nationalist organizations, which had until then roundly berated internationalism as a wholly disintegrating and unpatriotic sentiment, were secretly nursing a solidarity which transcended national frontiers and was far more consistent and powerful than that of the so-called international groups. The two most important ones among these are the dynastic ring and the armament industry.

We propose to take up here only the armament industries, that is to say, the gun factories and their equivalents to-day. Of course it has always been known that the dynastic ring and the armament-makers worked together, but this knowledge has been sterile at least in one particular: it has cast no penetrating light on their joint operations, and an unmasking of the one has nowise illumined the other. Even in socialistic literature you will find very inadequate information concerning the armament industry. In fact, as a rule, the subject is passed over with a mere reference. The one exception that occurs to me is a comprehensive work on the disarmament problem, entitled *The International Limitations of Armaments,* by Dr. Hans Wehberg, which appeared in 1919. A portion of the book is devoted to the problem under discussion, especially a chapter entitled *International Coöperation of the Armament Industry.* The author points out that the power of armament capital is enormously strengthened by reason of the fact that the firms involved do not compete, but rather offer concessions to each other so that they may be able to obtain favorable conditions from the several governments. To this end trusts and cartels have been founded for the purpose of obviating any possibility of a war of competition.

The following facts will show how important are these separate and independent firms which have arrived at some mutual agreement. Before the founding of the two French syndicates, "Des fabricants et constructeurs de materiel de guerre" and "Des constructeurs de navires et de machines marines" in the year 1898, the cost of armor plate per kilo was 2.27 francs; afterward it was 2.96 francs. Now since a dreadnought requires five million kilos of armor plate, this increase in price is of no small significance. The two French syndicates mentioned above are only nominal competitors; as a matter of fact, they both have the same offices and the same executive director. On many occasions one or the other of these firms has withdrawn its bids for the building of battleships in favor of its supposed competitor. Often, through a merger of firms, the same persons sit as directors of several factories; in this fashion prices are screwed up. On the 23rd of April, 1913, the German Deputy Erzberger of the Central party declared in the Reichstag:

"I have stated in committee session, and I believe it to be absolutely true, that a ton of armor plate could be purchased at 50 per cent of the present price paid by the Ministry of Marine, and still bring a large profit, making allowance for all necessary deductions. I have obtained this information from the most expert sources in Germany. The

systematic coöperation of armament firms, which is aided by the fact that the state has prescribed a standardized model for cartridges, shells, etc., is accomplished through the numerous international cartels and trusts, the most important of which may be listed as follows:

"I. Before the war there existed the International Shell Cartel. This consisted of a combine of the Nobel Dynamite Trust in London with seven branches in England, five branches in Germany and one branch in Japan, of the Rhine-Siegner group, which was composed of three explosive factories, of the Cologne-Rottweiler Shell Factory, which maintained close relations with other British, Russian and Spanish firms, of the German Arms and Munitions Factories, which in like manner had close relations with numerous native and foreign companies, of the French Dynamite Company, of the French Society for the Manufacture of Dynamite, and the Franco-Russian Dynamite Company. The last three firms, moreover, are by no means isolated in their operations; for they also have very close affiliations with similar enterprises in many other countries.

"2. The United Harvey Steel Company was an organization that came into existence in 1901 and ended its career in 1903; but in that brief period the largest armor plate factories and cannon kings in the world were associated with it. Almost all the big French, British, German and Italian firms were represented in it: for example, the powerful British Vickers Ltd., W. G. Armstrong Ltd., Bethlehem Steel, Schneider-Creusot, Krupp, the Dillinger Smelters, and the Società degli Alt Forni Fondiere Acciano di Terni. The last-named, moreover, had unusually close relations with Vickers, which was also intimately connected with another Italian armament firm. Krupp was also a partner in the Austrian Skoda Works and the Rus-

sian Putiloff Factories. This Russian Company, in which Schneider-Creusot was financially interested, ultimately linked up Krupp with the largest French armor plate factory. It is also interesting to learn that Armstrong and Vickers owned one-half of the capital of the Meutoran Armor Plate Factories in Japan. They were also shareholders, together with the British firm of John Brown, in the Spanish Drydock Naval Construction Works at Ferrol. Six large, well-known British firms founded the Portuguese Shipbuilding Syndicate, for the purpose of helping the Portuguese government build up a powerful fleet. The reconstruction of the battered Russian fleet after the Russo-Japanese war was accomplished by means of the collective action of British, French, German and American firms.

"Thus it is quite evident that there exists to-day the most perfect interdependence of collective armor plate factories throughout the world.

"3. In Germany a marine trust was founded with headquarters in Dortmund. Should a German dock wish to order shipbuilding material, it need not apply directly to individual firms, but to the business headquarters of the trust, which transmits all orders to the associated firms. The various firms are, moreover, in close touch with one another in the important matters of making bids and fixing prices. It is decided in advance who is to relinquish a bid and who is to have the contract. The overhead is, naturally, paid by the government. On every contract a company receives, it must pay ten per cent, not on the net profit, but on the computed estimate. This ten per cent is of course included in the original estimate: it serves partially to cover the expenses of maintaining the business headquarters. Nine times out of ten this is divided between the other firms of the consortium which were excluded from profiting

by this particular contract. In this fashion are millions amassed: these concerns are all playing into each other's hands.

"4. In 1905 and 1907 the German arms and munitions factories in Berlin and Karlsruhe, the arms factories in Oberndorf on the Neckar, as well as the National Factory of War Material in Herstal, Belgium, on the one side, and the Austrian Arms Company on the other, signed mutual agreements with each other. The most important clause of this agreement is:

"The traffic of arms, respecting the deliveries of remodeled machine guns or carbine rifles for Russia, Japan, China and Abyssinia, will be carried on for mutual benefit, and the estimated earnings will be distributed to the various groups according to a predetermined scale. The two groups of factories will give each other as much mutual help as possible, in order that every factory may be able to manufacture the required arms in the cheapest and quickest manner. To this end figures and dimension tables of the desired model under production, the required measuring instruments and calibers shall be handed over at their respective cost price, in so far as possible, or lent gratis. The price of the arms to be delivered is to be at all times determined mutually by the groups. In order to carry out the fundamental views expressed earlier, a common chest will be established in which every factory which manufactures, markets or delivers rifles and carbines on its own initiative, shall be obliged to pay a fee of fifteen francs per weapon."

These examples should be sufficient to prove my point. They bear witness to the strict interdependence of the combined armament makers of

the world. They enable us to surmise the nature of the interests common to these firms, and above all, the fact that the production of armaments can be continually increased. If the price of armaments rises in one country, other firms in all parts of the world profit thereby, even if their own prices do not rise in proportion. On the other hand, an increase in the production of armaments in any given country regularly brings with it an increase in armament production in other countries.

Formerly, the frank internationalism of armament firms was considered to be a rather delicate matter, from the standpoint of national defense. It was felt that important military secrets could in this way easily be betrayed. Before the war, several French gentlemen, including René de Bobet, Eugene IV, Comte de Walder-Freundstein, a former French secretary of the Embassy and a Lieutenant of Reserves, were on the supervisory board of the Dillinger Smelters, whose shares were partly in French hands and whose commercial language was French.

Naturally it was quite immaterial to the armament firms whether they delivered their cannon for domestic or foreign use. The German Arms and Munition Factories continually stated in their business reports before the war, that their

combined business was in large part with foreign countries. *In the World War the English in the Dardanelles were killed by guns which had been delivered into enemy hands by British firms.* Moreover, since the Austrian Skoda plant had established in St. Petersburg a steel smelter for the repair of artillery, Austrian soldiers on the Galician front were mowed down by guns which had been repaired through the efforts of their own countrymen.

In order to obtain foreign business the industry has recourse to the most interesting measures. During the World War the Lower Austrian Banking Company and the Agricultural Loan Corporation concluded a Chinese loan on three different occasions. This fact was only made public after the Chinese government had bound itself to send back a large part of the money for the purchase of cruisers and to equip them through the *Cantiere Naval Triestino* and the Skoda plants. Thus the money would remain in Austria where it could be used for the carrying on of the armament business. For several years the French banking firm of Perier supplied the Turkish government with money for the purpose of buying a dreadnought, in return for which it held the concession for the building and operating of a tramway line from Jerusalem to Bethlehem.

Indeed, it is quite obvious that the armament industry is without a country. It delivers to those who are able to pay the highest prices. Therefore, in order to conceal the real facts of the case, propaganda for greater armaments, inspired by the industry, is always masked as patriotism. From a pamphlet issued by the World Peace Foundation of Boston we may quote the following statement:

"A poor Englishman who makes plows would be laughed out of court if he made a bid for more commissions, saying that his business is inspired by love of country. Yet the millionaire who manufactures armor plate appeals with impunity to the patriotism of the people whom he supplies. He has newspapers at his disposal in order that he may brand as a traitor or madman or Utopian any person who attempts to put a stop to or even to protest against the colossal outlay for armaments."

When the manufacturers of arms reply that they are working for national security they may be answered once and for all: They owe their entire wealth to the people and, moreover, a far better defense of the mother country might be achieved if the private interests of this capitalist group were replaced by a lasting reign of peace.

This is the argument of Professor Hans Wehberg in the *Communist International* for 1928, volume 43, October 24. Leonid, in an article en-

titled *The Politics of the Armament Capitalists*, confirms Wehberg's practical findings. Leonid, moreover, is of the opinion that other capitalistic groups, in addition to that of the armament industry, demand a return for their investments in the form of war, although not necessarily at once. In this connection, the study by Dr. Alfred Garbosky on the difference between the feudal imperialism of the European empires and the imperialism of commerce in the Anglo-Saxon world before the war (*Zeitschrift für Politik*, 1923, vol. 13, page 30) is pertinent.

It is self-evident today that the armament industry unleashes war and when once unleashed, protracts it as long as possible; and what is more, in contradistinction to other interests, the armament trust continues to reap profits from the defeated country.

II

THE ARMAMENT INDUSTRY AS A FACTOR IN NATIONAL ECONOMY

THE ARMAMENT industry like other industries is apprehensive of the possible political realignments brought about by a war; but like every other, in order to increase its sales, it must widen its market. Naturally that is always possible, especially in time of war. It is just as natural for a cannon factory to support a peace society as it is for a sleigh course lessee to pray for a warm wind. Every other branch of industry may suffer through war, but the armament industry must always profit by it. A military authority writes as follows:

"The armament industry in Germany alone, judged from the viewpoint of the all-powerful basic metal industries in existence before the war, constituted so small a fraction of the total of big industries that as a national economic factor its effect was relatively small. The artillery equipment of the German Field Artillery from 1890 to 1914 shows the following requirements:

"The field artillery was armed afresh in 1896. In 1904 the ordnance division received ninety-six repeating guns

and just as many protective shields. In 1914 one hundred field artillery regiments, each of two battalions of three batteries with four ordnance pieces in each were allotted 2,400 additional field pieces. An equal amount of reserve material was available to be put into use in case of war. A total of 6,000 pieces at three tons each gives us 18,000 tons. When you reckon 30,000 tons allotted to heavy foot artillery, exclusive of the requirements of the navy, the total is 50,000 tons per year.

"The navy shows greater requirements and expenditure; but the principal outlay in this instance goes for pay and administration. Two thousand tons of artillery are needed annually by the land forces of Germany. In 1913 Germany alone placed the following orders:

Raw steel, 19,312 tons.

Cylindrical bores, 13,119,000 tons.*

"In 1925 Germany exported 76,878 tons of tool-making machines; 36,825 tons of agricultural machinery and 209,309 tons of other machinery. In time of war a vast change in these figures takes place. The ratio for the field artillery rises 1.17 per cent, for heavy foot artillery 1.32 per cent."

Up to August 1, 1923, on the basis of the Treaty of Versailles, Germany had delivered the following units: 54,887 artillery pieces and bores, 28,569 trench mortars and bores. Let us not overlook the fact that a large number of artillery pieces were destroyed or lost in the war. But 5,000 of such pieces were handed over to the enemy, almost the peace-time quota, on the day

* *Statistisches Jahrbuch des Deutschen Reiches 1928;* pp. 56-57 of appendix.

of the Armistice, November 11, 1918. From this it will be seen to what extent the armament industry is of necessity heightened in time of war. In the future, however, all these quotas will be enormously increased, not only quantitatively but qualitatively, because, as I have already had occasion to point out, the scope of the armament industries tends each day to grow wider and wider. This is confirmed as follows by the testimony of an anonymous military expert:

"The supply of raw material in former wars, when the technique of arms was still in its infancy, played but an indifferent rôle. Material for the manufacture of big guns as well as shells, and lead for bullets were obtainable in every fair-sized economic area. Nowadays these things are not so easy to procure. For the mass production of modern war material such a large quantity of raw stuff is needed that no single country contains enough resources within its border to supply it."

Yet even when the armament industry, quantitatively speaking, does not in itself constitute a salient economic factor in a given country, it nevertheless tends to stir up war like a small ulcer on the body politic, which then, left alone, works as a poisonous ferment in the whole organism. This view can be supported by a number of significant examples.

Wehberg clearly brings forth irrefutable evi-

dence to show that in 1915 the English in the Dardanelles were beaten back by artillery which the Turks had bought from the English. What this meant, or could have meant, to the English common people at that time should be recalled: If the Dardanelles had fallen before the introduction of universal conscription in 1916, an early termination of the war, owing to this fact, would have been looked upon as a possibility. But magnificent guns, as we saw, put out by the British Vickers and Armstrong factories thundered under the command of German artillery officers from the Dardanelles forts, and thus prevented the fondly hoped-for peace.

An episode which occurred in the House of Commons on August 22, 1926, cast a revealing light on this long-past matter, and contains, I believe, an important moral for the future. On this day, eleven years after the Dardanelles battle, one of the members, Mr. Ponsonby, demanded on the floor if the report of the *Daily Chronicle* was true, namely that, with the full permission of the Foreign Secretary, Mr. Austin Chamberlain, a British arms factory had lately supplied arms to Turkey. Foreign Secretary Chamberlain admitted that this was so. Whereupon Mr. Ponsonby asked:

"Is not the Foreign Secretary aware that a

British battleship was sunk in the Dardanelles by a mine that had been sold Turkey by an English firm?"

Mr. Chamberlain also admitted the accuracy of this, but went on to explain that "henceforth a war with Turkey is out of the question." How often have such solemn promises proved untrue!

To this episode enacted in the British House of Commons, the reaction of a German would perhaps be something like this: "Of course this sort of thing is to be expected from a nation of shopkeepers." Now what would he say, we may ask, if he were familiar with all the facts concerning the rise of the Krupp Works? Ask him if he knows about the international arms business of Krupp, who was a good friend of Bismarck and the Kaiser, and an Officer of the French Legion of Honor. Ask him if he knows that at the Battle of Königgratz German-speaking kinsmen destroyed each other with Krupp howitzers. Ask him if he knows that the Krupp Works, in the course of a century, exported one-half of its total output of cannon to fifty-two countries which later, during the World War, showered hand-grenades and death-dealing shells on the Germans and their allies. If you mentioned these facts, he would no doubt leap up and hail them as mischievous lies, invented by interna-

tional-minded pacifists, as General von Seeckt calls them in his *Memories of a Soldier*. But let us first of all permit the unassailable facts to speak for themselves.

The published accounts of the rise of Alfred Krupp are nothing less than astonishing. We learn that the fourteen-year-old youngster resolved to build up anew the small factory left by his father which had fallen into desuetude. He began with exactly seven workingmen in 1826. In that far-off day good cast-steel proved the redemption of its inventor or manufacturer. The manufacturers were unconcerned as to whether they sold ploughshares, rolling pins or die stamps. After a tour of investigation through factories in England, Krupp enlarged his business by the installation of the steam engine. He made excellent use of the secrets which he acquired from the English factories. In 1844 he was awarded the gold medal by the Berlin Exposition of Commerce and Industry. Then, with the molten steel at his disposal, he launched for the first time into the manufacture of fire-arms. The Prussian War Minister curtly rejected his output, with the statement that "the traditional Prussian war equipment is so good that it needs no improvement." The French Minister of War, on the other hand, was highly satisfied with Krupp's product!

In 1847 Krupp properly began the manufacture of gun-bores. At this time, it is interesting to record, the Prussians took a little more notice of the article he was so busy producing; but the new Emperor of the French, Napoleon III, showed a much deeper concern. The Prussians, although far more interested than before, still wavered back and forth. They were powerless to come to a sharp decision. As the time approached for the Prussian War Minister to write out the contracts for guns, Krupp, annoyed by the irritating uncertainty, wrote as follows to his Berlin representative:

"As soon as any other steel manufacturer gets an order for guns, I'll begin to supply the whole world with whatever it needs."

When the moment duly arrived and the contracts were signed, this is precisely what Krupp did. He filled orders for field pieces in Belgium. He delivered heavy naval guns to Vickers and Armstrong, his colleagues in England.

Moreover, since the Prussians still remained stand-offish, he hit upon the plan of borrowing twenty million francs from a French bank; but as yet he could not produce the necessary credit. The processes of his mind are quite plain. He conveyed his intention to Bismarck in such a way

that shortly afterward he was able to obtain credit from the Prussian State Bank. Austria wished to step into line and order arms too. This was, it must be remembered, just before the outbreak of the War of 1866. The political situation was clear: nobody could mistake it. Yet Krupp, undeterred, in spite of the obvious implications of the situation, supplied arms to south German states who were openly supporting Austria. He went even farther at this juncture, offering to send Austria twenty-four heavy breechloaders. Confidentially, however, the Berlin government entreated him not to supply Austria with any cannon without her consent. To this Krupp forthwith replied that a promise of that character "would constitute a breach of contract." In April, 1866, he wrote to the Prussian Minister of War, von Roon, as follows:

"I am meagerly informed about political affairs. I merely go on working quietly, and if I could not do this without disturbing the harmony between love of country and honor, I should give up my work, sell my factory and henceforth live as a rich and independent man."

But what followed is now fairly well-known: at the famous Battle of Königgratz German soldiers, bound by blood-ties, destroyed each other with German guns, which were molten brotherly-wise

in the same crucible; and likewise, in brotherly fashion, the profits flowed into the self-same coffers. Krupp's ancient and quite mercenary love for Napoleon III was fanned into flame once more by his renewed successes and honors won at the Paris International Exposition. He was, accordingly, made an Officer of the French Legion of Honor, and he supplied war material to both Russia and England which were then engaged in the Crimean War, as well as to France and Prussia. In 1866, however, owing to another matter, there occurred a cooling-off of his warm relations with France. Trying to effect a reconciliation, Krupp wrote to Napoleon III, enclosing his catalogue and singing a hymn of praise to his steel guns. It ran as follows:

"Essen, April 29, 1868.

"'To His Majesty Napoleon III, Emperor of France:

"Encouraged by the interest Your Majesty has shown in a simple industrialist like myself, and the happy results of his labors and great sacrifices, I venture once more to ask you humbly to accept the enclosed prospectus. It contains a collection of drawings of several newly perfected products of my workshops. I venture to hope that Your Majesty will especially glance at the four last pages, exhibiting steel cannon which I have supplied to *several powerful European governments*, and I sincerely trust that Your Majesty will forgive my audacity in doing so."

The answer duly came and ran thus:

"The Emperor has received your prospectus with great interest, and His Majesty commands that his thanks be conveyed to you for this. I am requested to inform you that His Majesty extends his lively wishes for the success and expansion of an industry which promises to be of considerable service to mankind."

The influential French General, Le Boeuf, did not prove as naïve and inexperienced in this business as the Prussians later showed themselves to be. He sensed immediately what old Krupp was driving at, and he ordered nothing from the coquetting German firm. And so in the War of 1870, at all events, Krupp's guns were not being used on both sides, as in the War of 1866. In 1912 Director Hugenberg of the Krupp Works issued the following statement:

"Up to the death of Alfred Krupp in 1887, 24,576 guns were manufactured in Essen, and of this total only 10,666 remained in the country, 13,910 being exported. By the end of 1911 this number was increased to 53,000 guns, of which the smaller part, 26,000 went to Germany, and the majority, 27,000, exported to fifty-two countries. Many of these were subsequently ranged against Germany on the battlefield in the World War."

Thus from 1914 to 1918 the drama which had been played in 1866 was revived. Both sides used big Krupp guns and machine guns, just as the Russians fired on the patriotic defenders of Aus-

tria, on the Eastern front, with machine guns which had been supplied to their forces by the Austrian Skoda Works.

German naval politics, strictly speaking, had their birth in 1898, when rumors began to spread about that the Krupp Works were engaged in exporting to the United States an extremely tough nickel steel, to be used as armor plate for cruisers, at a price far below that charged Germany, where it was manufactured. Indeed, Dr. Südekum, a representative of the Social Democratic Party, referring to this fact on January 8, 1902, in plain terms before the Reichstag said:

"Let us not hesitate to call a scoundrel a scoundrel. I have in mind specifically an armor plate manufacturer who, by selling armor plate to his native country at a higher rate than to foreign countries, stands self-condemned as a traitor for all time."

Secretary of the Navy, von Tirpitz, took issue with this statement, but he continued:

"It is quite true that American firms, which have acquired the Krupp patent, have been able to deliver armor plate to their own government at a lower rate than the Krupp firm has done to the German government. This is explainable by the fact that the American government is in a position to order exceptionally large quantities at a time—from thirty to forty thousand tons, I believe."

Now, in the succeeding decade Krupp's business methods were repeatedly brought up and came under fire in the Reichstag, and not only, it should be said, by leaders of the Social Democrats. This occurred again, for example, in 1905; and finally, in April, 1913, a commission was appointed vested with full powers to probe these matters. The government, however, refused to appoint Karl Liebknecht to this commission—for what reason is not yet completely known. But it may not be inopportune to point out here that it was Karl Liebknecht who, on April 18, 1913, precipitated the investigation of the so-called Kornwalzer affair. As for the official commission, its avowed purpose was never carried out, owing to the outbreak of the World War.

The Kornwalzer affair, in which the Krupp Works were implicated, does not, to be sure, fall within the strict limits of this inquiry into the international ramifications of the armament industry. But it serves in a measure to illuminate the practices of this firm, particularly in its dealings with Germany. Apropos of this matter, Karl Liebknecht made the following declaration in the Reichstag on April 18, 1913:

"For several weeks now Krupp has employed an agent by the name of Brandt, a former artillery officer, whose business it is to approach executive officials of the govern-

ment, of the Army and Navy, and to bribe them for access to private papers in which the firm of Krupp happens to be interested, and above all to discover the plans of the government with regard to armaments, to obtain sketches of construction for internal defense, and to ascertain what rival firms were bidding, or had bidden in the past. In order to carry out this purpose, Herr Brandt is of course granted a generous allowance." *

Brandt's reports were signed by the name of Kornwalzer. Liebknecht's findings were verified and Brandt was finally brought to trial. The trial of Brandt and his associates took place in Berlin and lasted from October 23 to November 8, 1913. The outcome of the trial was Brandt's sentence to a four-month prison term on the charge of bribery, and the Krupp director, Eccius, was fined 1,200 marks for abetting him. In several newspapers the following specious apology was offered: the government exacted an unusually high rate of production from Krupp, and this could only be sustained with the aid of foreign business.

Commenting on the Krupp-Kornwalzer affair, the *Berliner Tageblatt* for November 12, 1913, printed a statement by Professor Lujo Brentano of Munich. On the basis of the public revelations, Professor Brentano concludes with the proposal "that the essential war needs of every land should

* *Reichstag Debates,* vol. 143, p. 4911.

henceforth be supplied by its own government factories."

Brentano, moreover, proceeded to quote newspaper reports to the effect that nickel armor plate was sold by Krupp at least 800 marks cheaper per ton to America. He quotes an Englishman who had furnished him with proof of the existence and operations of an international consortium of armament firms, whose members, according to agreement, refused to bid against each other. Armstrong, for example, never makes any bids in Germany and Krupp never in England. The United States, however, was not included in this agreement, so that armor plate could be delivered in America far cheaper than in Germany. Professor Brentano fatalistically resigns himself to the conclusion that "no investigation will ever succeed in bringing to light the exact conditions prevailing in this consortium." He then proceeds to show, by a series of illuminating details, how the armament industry exerts its influence on the press.

For the purpose of our study it is, I believe, relevant to attempt to make plain how a man of Professor Brentano's standing and intelligence arrived at the conviction that any investigation of the above-mentioned agreements and relations was bound to come to nothing.

III

SIR BASIL ZAHAROFF

ONE OF the most fascinating characters in modern times is Sir Basil Zaharoff, about whom cluster innumerable legends, some of which are of course fantastic. A good many of them, however, have a concrete basis of truth. The story of his life has been written under several fictional disguises, the best-known of which is perhaps *The Man in the Shadow.* But there is no need to resort to fiction; the available facts are picturesque and astonishing enough in themselves.

Basil Zaharoff, we learn, was born in a town of Asia Minor in 1849 of Greek parents. His father, it seems, had settled in Constantinople, and the young boy was educated at the expense of a wealthy Greek, a friend of his father's. At an early age he was launched into the career of guide; his uncle, who was in this business, employed him and later made him a partner. But the uncle according to the legend kept back the young man's legitimate share of the profits. Young Zaharoff emptied the till in his uncle's absence, and fled

to London, leaving behind him only a curt note. His uncle caused him to be arrested there, but the young fellow was liberated when he produced a document in his uncle's handwriting naming him as his partner. He went to Athens. After a series of underground adventures he was recommended by the Greek Minister Etienne Skuludis to the British armament firm of Nordenfeldt, as a result of which, on October 14, 1877 he very definitely became a member of this firm with a salary of five pounds sterling per week, an unheard-of sum for an impecunious adventurer in the Near East, and a frequenter of the Athens cafés. Zaharoff proved, as the sequel plainly showed, even more cold-blooded than Krupp in the alleged conflict between love of country and love of gain. Part of this story is worth while telling here for the light it throws, not only on Zaharoff, but on the practices of armament-makers in general.

In 1877, it must be recalled, Greece dreamed of liberating her conquered provinces from the Turks. There was a strong military party urging immediate action. From Crete filtered the news of a fresh revolt against the Turks. Although England prevented a direct attack on Turkey, Athens, nevertheless, went on equipping the army and clamoring for war.

"For the newly appointed armament agent, Zaharoff, this was the crucial hour. As a representative of the firm of Nordenfeldt, many houses were open to him, on the doorsteps of which he had hitherto waited in vain. At the Greek War Ministry he was a frequent and welcome guest. And if the front steps happened to be barred, there was always some other method of approach. His demeanor was as correct as the armament industry demanded; if one route was impassable, he always knew of another. His modest bearing was esteemed in Government offices, but when it was necessary he knew how to exact the respect due to himself and his firm. The man who had hitherto been written down in Athens as an adventurer had suddenly developed into an assiduous and cautious business man who had to be taken seriously. . . . Zaharoff did everything to exploit the lucky chance that had brought him to this post. Conditions remained favorable to the armament industry, for, if there had hitherto been arming for war, there was now arming for peace as a support to the claims at the conference table. The price of armaments was rising, especially as the war fever from the Balkans threatened to infect the Great Powers of Europe." *

Greece, it seemed, was doomed always to come out empty-handed. So she went on arming. Athens remained the El Dorado of the armament manufacturers, especially of the smaller firms. Basil Zaharoff knew the ground as none of the other armament agents knew it.

Then Nordenfeldt perfected the modern sub-

* *The Mystery Man of Europe*, by Dr. Richard L. Lewinsohn. Lippincott, Philadelphia.

marine and for the first time the submarine problem, which had occupied so many engineers, appeared to be solved. Yet the great naval powers hesitated. Zaharoff argued that the small powers should therefore have the preference.

"He was patriotic enough to make the first offer to his native land, Greece, which was in funds owing to the help of an armament loan. In Athens the offer was eagerly accepted, and so there arose the curious situation that little Greece was the first country in the world to receive the first practical submarine. Naturally the new marine wonder excited great interest in the Ægean Sea, and inspired the neighbors of Greece with mild dismay. The Turkish Government in particular was interested in this new kind of Trojan Horse, that might possibly pass through the Dardanelles one day and appear before Constantinople.

"Luckily the armament business was international, and anyone could be supplied if he had the money. Even the Greek Zaharoff could not violate the fundamental principle of the armament industry. Yesterday his compatriots on the Piræus were his customers, today the people on the Bosphorus, the hereditary enemies and suppressors of Greek independence. There is no room for sentimental patriotism in this most international of all industries. Since the Turks, in spite of all their financial troubles, still had a greater purchasing power than the Greeks, they were able to treat themselves to two submarines at once. There were, however, no limits to free competition among armament politicians. If Greece, Roumania, Russia, or any other benevolent neighbor of Turkey should express a wish to enlarge their stock of ships by a submarine, the firm of

Nordenfeldt, and its agent Zaharoff, were always at their service." *

Nordenfeldt eventually offered Maxim a partnership in the firm, and they joined forces. Nordenfeldt was a comparatively small firm, but it had the resourceful, world-experienced Basil Zaharoff as its salesman. Subsequently this company was merged with the giant armament company of Vickers Ltd., which realized a little less than a million dollars on every fair-sized man-of-war. As time went on, Zaharoff grew to be a leading spirit in these transactions, and was elected director of Vickers.

His policy of international impartiality is apparent in all his dealings from that time on. The Boers fought the British with British-made arms and munitions. It is a familiar fact that in the Russo-Japanese war England was publicly an ally of Japan; and yet British firms throughout the duration of that conflict supplied the Russians with fire-arms. As a consequence of all this barter and trade, Zaharoff, the director of the "armament warehouse," came to be one of the wealthiest men in Europe, while the nations went about bleeding each other, among them his father's native country, Greece, and his adopted country, England.

* *The Mystery Man of Europe*—Lewinsohn.

He managed also to insinuate himself into the Russian armament industry. The largest private concern, the Putiloff Works, was in disfavor with the Czar's court because it was the center of the revolution. When a race to get Russian business was started, the British firms, and especially Vickers, got the lion's share through Zaharoff. He effected a close business alliance with the St. Petersburg Iron Works and the Franco-Russian Company, a turbine factory, and obtained through these firms orders for guns and other heavy material for the armored cruisers which were being built in the St. Petersburg docks. Through the Russian Shipbuilding Company he secured an order for the construction of two first-class battleships in the harbor of Nikolaev, on the Black Sea. The firm of Beadmore in Glasgow, which belonged to the Vickers concern, established, with Schneider-Creusot and the French firm of Augustin Normand, a dockyard and cannon factory in Reval, and received in addition orders for two small cruisers.

Since 1907 Zaharoff has been predominantly in control of Schneider-Creusot too. At the outbreak of the World War he was master of the combined armament industries of the Entente. He was knighted by the King of England, he was decorated with the Grand Cross of the Legion of

Honor for "special services," and in 1924 he celebrated his nuptials with a Spanish princess. A British battleship is always at his beck and call, and he is responsible for the Agence Radio, which was founded with an enormous backing to maneuver Greece into the war on the side of the Allies.

After the World War he enlisted the support of Lloyd George in his policy of a Greek war of conquest against the Turks, and he offered to supply the money out of his own pocket. Lloyd George was warned against staking everything on Greece. Members of the House of Commons objected to the part Sir Basil Zaharoff was playing in British eastern policy. It was declared that he had given 4,000,000 pounds out of his own pocket to equip the Greek fighting forces and to prepare them for an invasion of Asia Minor. The Greeks received a setback at the hands of Kemal Pasha, Lloyd George was attacked on all sides and he was forced to resign. Throughout the whole affair Lloyd George was accused of retaining Zaharoff as his secret diplomatic adviser.

When this happened, Zaharoff realized that he was out of pocket, that the armament business was not so good, profits being restricted in peacetime; and so he financed the Casino at Monte Carlo and ran it in his own way.

In a number of cases it has been conclusively

shown that Zaharoff first engendered political tensions between nations, and then, when war broke out as a result of his manipulations and wire-pulling behind the scenes, he proceeded to sell arms and munitions to both sides. But in some cases a mere threat of war is enough to send his business skyrocketing. This was certainly the case during the revolt of the Druses in 1923-1924 which, it will be recalled, almost led to a war between France and England. The man's career is by every test quite fantastic. He is one of the wealthiest men in the world; but what seems almost incredible is that a year or so ago, Europe was utterly ignorant of the machinations and maneuvers of this man, at whose door must be laid the wanton destruction of millions of human lives. Let me add as the final touch of irony this: after the war Sir Basil founded the war hospital for wounded soldiers at Biarritz.

Before 1914 Zaharoff was in control of not only Vickers Ltd., England, whose shares were in in the hands of four dukes and marquesses, fifty counts and barons, twenty knights, three members of parliament, twenty-one officers and six journalists; but also directed the policies of ten other big British arms factories. Though at this time he did not control Armstrong, Withworth & Company, after the war he acquired a controlling interest. This came as a result of a most

spectacular maneuver whereby Zaharoff gained a secret influence over the British government and the Bank of England, so that he was able to prevent the latter from lending money to Armstrong. The capital stock of the firm was reduced by more than 200,000 dollars; as a consequence, in order to safeguard its existence, it was forced into a merger. But he already controlled the French firm of Creusot, the Aciérie Hanécourt, the Chatillon-Comtary with a total capital stock of $64,000,000. And he likewise owned a qualified minority of the stock of the Putiloff Works in Russia. It was Zaharoff who inspired the well-known Putiloff affair in the *Echo de Paris* of January 27, 1914. The *Echo* on that date carried a false report which Raffalowich, in collusion with Suchomlinoff, the Russian Minister of War (after a secret agreement and understanding with Zaharoff) had provoked. A rumor was afloat, said the *Echo,* that Krupp had obtained the Putiloff Works for himself; and this rumor, as may well be imagined, precipitated a big tempest in the newspaper world of Europe at the time. The spurious report had its destined upshot, which was, in brief, to coerce French finance into supplying necessary funds to the Putiloff Works, for it was Sir Basil's inveterate habit always to work with foreign money.

IV

KRUPP AND NOBEL

FOR CENTURIES, as is well-known, France was supposed to be Germany's "arch-enemy." We may consequently ask: What patriotic interest was served when the German Arms and Munitions Factories in Karlsruhe addressed the following letter to Paris in 1907:

"We have just wired you as follows: Please await our letter mailed today.

"The reason for our despatch is that we should like to publish an article in the most widely read of French newspapers, probably in *Figaro*, which is to run thus:

" 'The Chief of Staff of the French Army has decided to hasten the re-equipment of the army with machine guns, and to order double the amount that had been previously contemplated.'

"We beg you to use all your power to see that such an article appears."

This letter was signed by the Director of Construction. Several years later the dividends of the firm rose from 20 to 32 per cent. Karl Liebknecht brought this letter to light again in the Reichstag, at the height of the Krupp investigation, on April

18, 1913. It had, however, previously appeared in *Vorwärts* immediately following his public denunciation of the Karlsruhe Factories. On April 23, 1913 Erzberger observed in full session:

"The letter in question was written in 1907. In that year military circles all over the world were not as yet convinced of the superiority of machine guns as is the case today, when they are held to be an essential weapon. In 1907 in many quarters, including of course the German, army, machine guns were looked upon as weapons to be used against Herero and Hottentot; very small—infinitesimal indeed—were the provisions for machine guns in these quarters at that time. France then began to order machine guns for the equipment of her European army. When you thus conjure up the actual situation, the letter of the German Arms and Munitions Factory takes on quite another aspect." *

The *Berliner Tageblatt* and the *Frankfurter Zeitung* openly referred to these commercial practices as "business unscrupulousness of an extreme sort and a blind pursuit of pure egoistic and mercenary interests." The *Frankfurter Zeitung,* moreover, stated that "the intention of the German Arms and Munitions Factories was even more scandalous than the Krupp case."

Herr von Gontard is one of the most powerful men in the German armament industry. Until several months ago he was a member of the following boards of directors: The Berlin-Karlsruhe

* *Reichstag Debates,* vol. 147, p. 5050.

Industrial Works, Böhler Brothers, Mauser & Co., Oberndorf, Daimler Benz, Ludwig Loewe Inc., Berlin and Silesian Mines & Smelters, Breslau. What is more, his name was mentioned—a fact which was later borne out—as the chief secret witness in the Bullerjahn case. Bullerjahn was in charge of the warehouse of a magazine belonging to the Berlin-Karlsruhe Industrial Works. He was accused of betraying the secrets of the works and therefore acting as a traitor to his country. Gontard's statement made up the largest part of the testimony for the prosecution. Now these bare statements, which did not rest on direct personal knowledge but on hearsay, were not given in a public hearing as is customary. The testimony was taken in a most irregular way. However, this fact did not come to light for several years, and this resulted in a heavy shaking-up and a reversal of the decision of the courts.

It is perfectly clear that the exportation of war material to a foreign country may only be considered a measure of defense, that is, of patriotism, when inferior products are sold to the purchaser so that, when war breaks out, he may be at a disadvantage. For every foreign purchaser is of course a potential enemy. But in one case the Germans supplied their most powerful enemy such superior material that it evoked the highest

praise from that enemy. In this connection I recommend to my readers the irrefragable pages of an expert report on this matter by an English admiral. Rear Admiral Murray F. Sueter says:

"I received permission from the Admiralty in 1913 to conclude an agreement with the Parseval Company in Bitterfeld for a new airship, size 300,000 cubic feet hydrogen gas capacity, 279 feet long, diameter 47.8 feet. . . . When the German U-boats began to grow menacing, it was seen that small airships like the Parseval were extraordinarily effective in countering the U-boat danger. A contract was immediately drawn up which called for the quick construction of such airships."

Further on, Admiral Sueter declares that German U-boats were destroyed by British airships, either directly through bombs or by patrol boats who received signals from the airship hovering above the water. Moreover, the airships proved of enormous aid in the task of mine-searching.

According to Wehberg, whom I have already quoted, Parseval airships were sold to both Japan and Russia before the war.

In this survey of the ramifications of the armament industry all over the world, we have found it valuable to cite several typically nefarious examples of the practices of the Krupp firm. But it must not be thought that this firm alone has displayed so great a commercial zeal that its pa-

triotic feelings were completely put in the shade. The history of the development of the Krupp firm shows us that the founder, Alfred Krupp, realized just as gigantic a profit from his original manufacture of tailor scissors, mint-dyes and riding saddles as later from steel armaments and gun bores. Owing to the turn given European politics by Napoleon III and Bismarck, Krupp was practically forced out of the field of tanning cylinders to the manufacture of guns. There is no point in calling a business man to task because he lacks a sense of spiritual values or, as we may say, "social responsibility" for making a profit out of the white slave traffic or the commerce in arms; this sort of reproach could be levelled against many people who think of themselves in righteous terms, and are unable to see the mote in their own eye. Alfred Nobel astonished the world by a quaint inner crisis that enabled him, curiously enough, to see the mote in his own eye.

The technical and commercial rise of the Dynamite Trust through the efforts of Alfred Nobel, a Swedish engineer, was exactly comparable—although it was carried out on a larger international scale—to that of Alfred Krupp. Nobel had rather an adventurous career in Russia, France and America. At all events it was, if nothing else, a hazardous one, for he stood in constant danger

of expulsion from these countries; for, as a result of his experiments, houses and people might suddenly have been blown to smithereens. There was always this overhanging danger. His success, however, was phenomenal. And after having achieved it, the world was astonished to hear one day that Alfred Nobel, the dynamite magnate, had founded the World Peace prize. It came about in this fashion.

At forty-three, Nobel was the acknowledged dynamite king of the world. He was rich and a bachelor. In 1876 he advertised in the newspapers for a secretary with a knowledge of languages. The impoverished Countess Bertha Kinski (who later, as Bertha von Suttner, laid the foundations for the peace movement throughout Europe) applied for the job. Something happened which prevented Nobel from employing Countess Kinski as his secretary. But during that first interview, according to hearsay at least, Nobel observed: "I should like to invent some material or some machine so terrible in its destructive effect on huge masses of people, that war would henceforth be unthinkable."

We may pass over an interval of sixteen years with but the remark that in the meantime Bertha von Suttner had written her book, *Down with Arms*. The scene now is the lake at Zurich,

and the two, the Countess and Nobel, have met on the enchanting shores of the *See*. They chanced to mention a lovely, sumptuous villa nearby which belonged to a silk manufacturer. The multi-millionaire is alleged to have observed to the woman writer, who was still living in modest circumstances:

"Ah, yes, that villa was woven by silk worms."

"Dynamite factories," she replied, "are perhaps more profitable than silk mills, and tainted with far more guilt."

Nobel returned: "My factories stand a better chance to end war than your peace congresses. On the day when two army corps annihilate each other in a single second, all civilized nations will shudder away from war and disband their troops."

The error in Nobel's reasoning is self-evident; but it is by no means peculiar to him, for it is held by almost all pacifists in our own day. As long as there are two army chiefs alive in the world, each one, carried away by his own conceit, will be convinced that he will be just five minutes ahead of the fabulous second when two army corps might be wiped out; and thus he is bound to emerge from the battle "victorious." General von Seeckt once declared: "The foundation of a modern peace movement on the fear of technical development and the spread of warfare, is without

basis. The sword is human, in a way, whereas a 21 cm. hand-grenade is not . . . Against technical means of attack, the same sort of technique has always evolved a measure of defense."

Since 1892, when the above statement of Nobel's was made, the art of war has generally progressed toward the dynamite manufacturer's envisaged point, namely, the annihilation of two army corps in one second. Apart from the well-known deadly effect of poison gas, in the course of twenty-five years, since the appearance of Knut Lasswitz's work *On Two Planets* and H. G. Wells' *War of the Worlds,* the fertile visions of such technical fantasies have gone a great way toward being realized on a grand scale, the objective being organized mass slaughter. All the technical advances which we see around us are, it seems, first conceived and worked out by the free human imagination, and war is of course among them.

Nobel gave his tremendous wealth to establish large awards for notable achievements in physics, chemistry, medicine and literature. These prizes are awarded by the Swedish Academy in Stockholm. In addition, there is a peace prize annually awarded by the Norwegian Parliament in Oslo, to persons who have labored in the cause of peace, or to organizers of peace congresses.

Now if Nobel's hypothesis were correct, namely,

that the most terrible form of military technique would some day lead to the abolition of war, then it is conceivable that a Nobel prize-winner for physics or chemistry might at the same time win the peace prize. But this notion is of course far-fetched. This is the illusion of a poor victim of war. Things do not happen as the mobilized underdog fancies, but, on the contrary, as those who wield the power to unleash war ordain. This power is concentrated in the hands of a few people who do not fall back affrighted at the unspeakable deadliness of modern warfare. On the contrary, they keep their ears close to the ground to find out if some further means might not be invented, or discovered, which will enthrone them undisputed lords of the world.

There is only one remedy in the present situation, as this writer views it; and that is to make the human sacrifices of war—those poor victims who have always obeyed passively and suffered most—both active and fearless in their demands. To this also, curiously enough, Alfred Nobel found the key. And it is an important one. His nephew at one time frankly expressed the opinion that Nobel did not wish to buy the Swedish newspaper *Aftonbladet* merely for the purpose of spreading peace propaganda, as he himself alleged, but rather that he might have an organ to protect his

material interests. Whereupon Alfred Nobel replied in a letter that is still extant:

"It is a peculiarity of mine never to consider my private interests. My policy as a newspaper-owner would be something like this: To oppose armaments and deliveries of mediæval weapons, and to advocate that the manufacture of arms, if it already exists, should be confined to each country. For if there is a branch of industry that must needs be independent of export to other countries, it is the industry of defence. And since Sweden has factories which produce arms, it would be shortsighted and ridiculous not to hold them to this course. I wish to own a newspaper because I have a desire to inspire and inculcate a very liberal tendency in its editorial policies. There is enough sour dough—there is no need to increase the supply in this country, where the intelligence of the people is five hundred per cent ahead of the government."

Nobel's assertion above "for if there is a branch of industry that must needs be independent of export to other countries, it is the industry of defense," should be made the battle-cry of all true defenders of their mother-country. So long as it serves the purpose of political propaganda to spread the belief that all political adventures and experiments are in the nature of "enemy attacks," there will always be millions of men who, responding to a primitive instinct, will rush to the defense of their supposedly endangered country. But we may assume, I think, that as soon as the

patriot learns to what extent this is connected with dividends and the international relations of the armament industry, he will himself put forward the claims that:

1. No arms of defense shall be taken out of the country;

2. In defense of the country, in the interest of public welfare, no profit shall be made out of the traffic in arms.*

As soon as these proposals are adopted by all governments, little will remain, we may be sure, of the sinister "war threats" which are utilized to frighten people into a frenzy of hate that inevitably breeds war. This thesis if put into effect, as expressed in Alfred Nobel's letter quoted above, would tend to fulfill the ultimate aim of the Nobel peace prize, rather than the fabulous invention whereby two army corps are wiped out in the batting of an eye.

* These proposals may be compared with the suggestions of Mr. Bernard Baruch, founder of the Walter Hines Page Memorial Lectures on Peace at Johns Hopkins, which call for the total mobilization of industry in time of war. The effect of such total mobilization, according to Mr. Baruch, would be to put an end to all war.—Tr. note.

V

THE PRESS

THE MAN in the street—nationality quite immaterial—is greatly at a loss when it comes to counteracting the evil and false reports, canards and hysterical scares, that are put out simply to entrap him; and it is invariably by these that all wars are started. These stories incite the frantic demonstrations before foreign embassies and cause normally law-abiding citizens to clamor for a declaration of war. Experience has of course taught most of us to scrutinize closely any report involving national issues, in order to determine whether or not it is an impudent canard or an error. But in one sense all news of this general character is spurious or, say, inspired, at least, when the newspapers are not themselves definitely in the pay of foreign governments or owned by armament-makers.

In this connection I may recommend Ludwig Bernhardt's book on the subject of "newspaper plants" engineered by the Krupp director, Hugenberg; it is highly revealing. The man in the street

is, as I view him, impaled on the horns of a very serious dilemma. Shall he believe or not believe, when his country's interest is at stake? Effective and fruitful means of investigation, the instruments for checking up, are, as a general rule, beyond his immediate reach. It is no exaggeration to assert that Director Hugenberg and his spiritual kin in other lands are responsible for almost all "war threats." A striking example of this sort of manipulation behind the scenes is afforded by a book from the pen of a Paris editor, which was published anonymously some time ago. The exposé, to which he devotes a good deal of attention and space, is the same famous Putiloff affair of 1914, already mentioned in these pages. He makes the following statement:

"Whenever the question of increased expenditure for armaments arose, and all posters and prospectuses were powerless to lure even a mongrel dog from his cozy nook under the stove, the French government usually thought up other means to cajole money out of the stocking banks. It saw to it that rumors were spread in the press, emanating from foreign sources, that military operations were being prepared directly against France by other Powers, or that powerful armaments were being built up against her. Such reports rarely failed of their effect, which was to fill the hearts of the people with anxiety, and to make them and their representatives subservient to the will and projects of the government. The best illustration of this kind of tactics is provided by the Putiloff affair."

The main facts in this famous case may be briefly given. On January 27, 1914, the *Echo de Paris* printed an alleged telegraphic despatch from St. Petersburg, which ran as follows:

"The rumor that the Putiloff Works in St. Petersburg have been bought by Krupp has been confirmed. If correct, this piece of news should arouse the highest excitement in France. For, as is well known, Russia has adopted French types of guns and munitions for her coast artillery. Hitherto the largest part of this material used by the Putiloff Works was manufactured with the coöperation of the French Creusot Company, and with the aid of a French personnel sent to Russia."

The astonishment occasioned by this news item went beyond bounds, and the liveliest excitement, as was predicted, ensued. The general public, ignorant and simple-minded as usual, believed that the secret of the French guns would fall into the hands of the Prussians. As a matter of fact, however, this secret had long ceased to be a secret, thanks to commercial greed. For some time now the French works had been delivering 75 cm. guns to Italy, which as a member of the Triple Entente was held to be a potential enemy, as well as Bulgaria. The obvious purpose of the despatch was of course to add fuel to the political flames, and nothing, as we know, is better fitted to inflame public opinion than secrets and secret-mongering.

The secret of the 75 cm. gun was not the issue in this case since, as I have already pointed out, it was already known the whole world over, nor yet was it the purpose of the news-scare to hinder Krupp from getting control of the Putiloff Works —for this had already taken place. The report was intended, rather, to make a deep impression on a certain French banking group, so that "patriotic sentiment" might move them to shovel out more money, a thing which these banks had no desire then to do. And so the Krupp demon was engraved on the wall to throw a scare into the French.

What actually happened was this: The Putiloff Works, in order to monopolize the contracts of the Russian government, had since 1910 entered into a pooling of corporate interests with the Union Parisienne Bank which had lent them 24 million francs, and also with Schneider-Creuzot, who handed over plans for the 75 cm. gun together with engineers and necessary technicians. And Krupps of Essen were not at all behind in placing at the disposal of Putiloff the experience of the heavy German artillery and its chief experts.

Thus it is seen that French and German engineers and workers joined in fraternal fashion under the supervision of executive officers and

money-men, some of them members of the Union Parisienne and others of the Deutsches Bank, to make guns which would subsequently be used to blow one another to pieces. Our French authority, who also deals with the Gontard affair, says:

"The report inspired by Gontard in the *Figaro* was not handled in this fashion. The lie was too obvious, and the French War Office immediately denied it. However, within a few days—naturally, quite accidentally—there appeared in *Figaro,* in the *Matin* and in the *Echo de Paris* a number of articles on the superiority of the French machine guns and consequently, it was to be assumed, that the French army was far better equipped. With these newspapers in hand, the Prussian Deputy Schmidt, associated with the chief metal industries of Germany, interpellated the Imperial Chancellor and asked what the government proposed to do to offset these French threats. Bewildered and apprehensive, the Reichstag, by a large majority and without any discussion, gave its consent to measures calling for an increase of machine guns."

The anonymous writer reminds us of the Liepscher scandal in Hungary, in which *Figaro* again played the part of provocateur. In the United States there was the Shearer case, which in all essentials resembles those which have occurred on the continent.

Most of the true revelations, if they ever are made, are aired *in camera,* and the general public has no knowledge of them until, as in the Shearer

revelations, a period of two years or so has elapsed and the damage has already been done. But it is, after all, in such examples that the sanguinary nerves of the bloody international of the armament industry are laid bare to the common gaze. The League of Nations recognized this when, in July 1921, a sub-commission passed the following resolution:

"The same persons are forbidden (that is to say, holders of shares in private munitions factories and members of their boards of directors) to assume ownership or control or to exert any influences on newspapers."

It must be remarked, however, that this proposal, excellent in itself and altogether worthy of support, is fairly buried in a graveyard of resolutions by the League of Nations concerning the disarmament problem. As a remedy to these widespread abuses of the press, the anonymous French writer recommends that "all journalists be hanged." But what are these journalists, if not simply intellectual mercenaries of the munitions kings? Armament races—to borrow an apt phrase from the Viennese sociologist, Rudolf Goldscheid —are only the thermometer that shows the state of the armament fever, but not its cause. And as for the journalists, they are more or less well paid to heighten the temperature by blowing on the mercury-end of the thermometer.

But the lords and masters of these mercenaries of the pen, as we have already seen, receive not only money profits, but other things as well. We have shown how Krupp, the great Krupp, was decorated with the highest French order, was made an officer of the French Legion of Honor. Sir Basil Zaharoff, the British munitions king, the "mystery man of Europe," is now Commander of the Legion of Honor, and so too was the Russian Privy Councilor Arthur Raffalovich, who for a period of twenty years was intensely active in Paris, influencing the French press and building up Russian prestige. In his case we likewise find the closest connection with the armament industry. And moreover there is a striking chapter, which deals with the Czarist regime as a sort of generous "friend of the house," in the book of our anonymous French writer, in which sums, newspapers and persons are named. Thus we may conclude—indeed the conclusion is inevitable—that Alfred Krupp, a German, Arthur Raffalovich, a Russian, and Sir Basil Zaharoff, acclimated an Englishman, but a naturalized Frenchman of Greek origin, were decorated with the highest French order for their services in furthering the organized mass slaughter of the people for the profit of the common treasure chest of European armament-makers.

VI

INTERNATIONALISM IN ARMAMENTS DURING THE WORLD WAR

IF BEFORE the Great War armament manufacturers sold arms to the potential enemies of their mother-countries, and at a lower price, as we have seen, they did not cease doing so for patriotic reasons during the late great holacaust. Both sides, let me say at once, were guilty, the Entente as well as the Central Powers.

I append without further comment the following information which I obtained from an army officer, whose statements have been in the interval fully authenticated from other sources, both in the Reichstag and in the British House of Commons:

"During the war there was ostensibly a single armament industry for either side, one for the Entente and one for Germany and Austria. The sole difference between the management of these industries was that the Entente's was under the supervision of the British War Office, although the capital was supplied by Zaharoff (with aid of the Bank of England, Sir Ernest Castle and the House of Morgan). In Germany and Austria, on the other hand, the industry

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itself was autonomous, and it was, if anything, in a far worse plight than in Allied countries; Germany, shortly after the outbreak of the war, lacked the most essential raw materials. In order to obtain these primary raw materials from foreign countries, Germany and Austria were compelled to export to neutral countries manufactured war material not immediately necessary, in return for which they got rubber, animal fat, oil and copper. Thus it was that at the Battle of Skagerrak, the British fleet used gunsights that, six months earlier, the Zeiss Company, Jena, and the Goerz-Anschütz Company had delivered to a Dutch concern. Moreover, German soldiers at Douaumont found themselves entangled in barbed wire which the Magdeburg Wire and Cable Works had exported to Switzerland only two months before."

In the first eight months of the year 1916, an average of 150,000 tons of iron and steel were exported by Germany to neutral countries monthly. In several cases as much as 250,000 tons were sent out of the country in a single month. And yet the German commissary department was informed that a mere fifteen thousand tons of steel in excess of the amounts hitherto furnished, could not be supplied for military purposes. The Steel Manufacturers' Association preferred to pay a fine of five marks per ton rather than furnish barbed wire to its own army, presumably defending Germany. Foreign countries were prepared to pay such high prices, of course, that the fine was more than made up. The Stinnes factory at Differdin-

gen was caught in an especially flagrant derelic-tion of this kind.

It is useless, at this late date, to inquire what punishment was meted out to the grave offenders against Germany's interest, for nothing at all happened in Stinnes' case and nothing was said; nor yet was the Thyssen firm mulcted or pun-ished when it was discovered red-handed, during the war, selling infantry shields to Holland for 68 marks, whereas it was charging the German Com-missary Department 117 marks. We may also cite the case of the nickel breast plates which Krupp was selling cheaper in America than in Germany! In the Spring of the year 1918, everybody knew that war between Holland and Germany hung by less than a hair; and if war had been declared, as was universally expected, the same infantry shields would have been used on both sides, as the same howitzers were used by the Prussians and the Austrians at the Battle of Königgratz. Only the Dutchmen would have paid much less for theirs!

When Industrius mentioned this heinous affair in the newspaper *Socialisten,* the Thyssen Com-pany at once threatened a libel suit which, no-body knows why, was never instituted. Thyssen was fully and publicly vindicated, as was subse-quently apparent, when the Prussian Ministry of

War revoked a fine of 100,000 marks against his firm, whereupon he cold-bloodedly proceeded to deliver 3,000 horses to Holland.

The culpable effrontery of the dealings of the basic metal industries of Germany with the "hereditary enemy" during and after the war, is described in detail by Arthur Saternus in a book which has not yet been refuted. The facts in almost every case have been authenticated, and every day casts some new light on these underground transactions. Let us begin by investigating what happened to German steel during the war.

The fines paid by the German Steel Association are proof enough, if proof were needed, that large quantities of German steel were being exported during the war; and we have seen that this steel was needed for the purpose of carrying on the war. But the steel thus exported was not restricted to the neutral countries where, presumably, it was bought for local manufacture. No efforts were made during the war to ascertain whether or no this steel was being in turn exported to the Allies who were at war with Germany. There was no check or control, and such feeble tentatives as were made proved ineffectual.

Let us now compare this state of affairs with what was taking place in France and Italy. The

German invasion deprived France of her most important mines and factories. Italy has always found it necessary to import iron. A large proportion of the iron and steel needed by these two powers for the carrying on of the war had to be imported from America, at a time when the German submarines menaced the safety of the seas. The outcome naturally was that they tried to buy iron and steel wherever possible. And so it was that German iron and steel found its way to enemy countries and was used by them in the waging of the war. It may have been melted down in French factories, and cast into hand-grenades which later killed German soldiers, or it may have been utilized in other ways, perhaps as gun bases, or for railway construction. Surely, in the last analysis, it is of small moment in what manner it was put to use; for this iron, which should have been conscripted for the defense of the country, or for secondary war service, set free other products which the enemies of Germany could therefore release against her in the form of arms. If the metal industries choose to frame the reply that the material which they thus put at the disposal of the enemy countries was not immediately convertible for the purposes of fighting, it might be pointed out in turn that the problem of securing munitions, with which the Allies were faced, was

enormously lightened by this influx of raw material.

The method employed by the German factories could not, to be sure, be interpreted as direct exportation to France and Italy. Only the other day a case was ventilated in the French press which bears on the way in which these activities were carried on, seemingly without the consent of the German firms, but beyond doubt connived at by them through criminal greed for profit. Two French importing firms stated that, without the least difficulty or hindrance of any sort, they were able on their own account to import from Switzerland during the war sixty thousand tons of German steel. In the same article it is further asserted that, during the war, special workshops in Switzerland were set aside to remove the stamped trademarks from German steel rollers, destined to be sold to France.

This testimony is of course of French origin and Germans, in self-defense, may be inclined to object that French firms are merely boasting of their own undefiled war-time activities; and therefore these statements should be largely discounted. In reply, it must be said that the Swiss themselves have frankly admitted on more than one occasion that they shipped German iron to France. In the fall of 1917, the Swiss Machine

and Textile Industries sent a memorandum to the Federal Diet. The *Züricher Post* commented on this incident as follows:

"The industrial conflict between the two groups of Powers is obviously nearing its climax. The industrial needs of our country are in danger of being ground between the upper and nether millstones. The Import Trust has been placed in such a position by the Allies, that little or no commerce is being allowed with Germany. The memorandum to the Federal Diet calls attention to the fact that German iron, as a result of free commerce, has been sent in large quantities from Switzerland to France and Italy. Two official representatives of the Federal Diet are leaving in a few days for Paris, for the purpose of obtaining an agreement as to what products may be exchanged."

From the above excerpt it will be seen that Switzerland had no difficulty in procuring iron from Germany, which it then exported to the Allies; but the more intelligent members of the Allied Powers were on their guard, and quite ready to put obstacles in the way of a return in kind.

Since then it has become known that the German government had knowledge of these dealings even during the war. The Ministry of War, for example, was fully aware that rails in considerable quantities went by way of Switzerland to France and Italy. At that time, through a representative, it inquired whether the export of rails

from Switzerland might not be prevented. The reply, brief and to the point, was in the negative. Was not Germany herself permitting the export of rails from her own country? From this it will be clearly seen that, beyond a doubt, the German basic metal industries conducted themselves in a treasonable manner toward the German people who were sacrificing their lives in a war, advertised as a war of defense.

And now we may turn to the other side, and see what the Allies were doing along this line. The Allied Powers, through certain neutrals, supplied Germany and her allies with rubber, oils, special metals, particularly copper. It is, I think, quite reasonable to assume that the exporters were cognizant of the fact—judging from the type of article desired by their customers—that they were meeting the war needs of their enemies. Just as German soldiers were caught, abraded and bled by barbed wire that originally came from Germany, so British Tommies were being strafed, that is, shattered to bits, by grenades lined with copper that reached Germany from England by way of the neutral countries.

Admiral Consett of the British Navy shows how the Allies helped to strengthen the armaments of Germany and Austria by exporting

nickel to Sweden. The following table speaks for itself:

SWEDEN'S NICKEL IMPORT

	1913	1914	1915	1916
Total	150 tons	136 tons	504 tons	140 tons
From England and her Colonies	27 tons	60	328	78

Referring to this table Admiral Consett says:

"In 1915 England supplied Sweden with twice as much nickel as that country had imported from us the year previous. Of the total import of 504 tons in 1915, 70 tons were re-exported to Germany. The larger part of the material imported from England was used to help Germany, for the remaining 434 tons went into munitions-making."

The Possehl case provoked a furore in Germany, but since its echoes abroad may have been drowned out by the war, it will not be amiss to outline the main facts here for the non-German reader.

Senator Possehl of Lübeck developed the small iron business inherited from his father, into an international undertaking which included valuable Swedish and Norwegian mines. In 1906 he was believed to have taken over the control of the whole iron and steel industry of the North

countries, to have acquired horseshoe and scythe factories in Russia, and extended the field of his enterprise to include several Asiatic countries and South America. Then the war broke out.

Senator Possehl's control of stock gave him the decisive influence over the Swedish and Russian factories. At that time the Swedish factories furnished the Russian factories with their raw material. Faced by this problem, an "unimaginably difficult" one, it must be confessed, Possehl solved it to the best of his ability as a German citizen and business man. He did not, however, put a stop to his manufacturing or to his deliveries. Of course, to the German military and judicial authorities this had the appearance of high treason.

Possehl, accordingly, was held for investigation one whole year, but after a hearing of only several weeks, he was set free by the German Supreme Court. The text of the verdict stated:

"After the outbreak of the war, Possehl was faced with the question of keeping his factories going as well as could be done, avoiding deliveries to the German government and so preventing confiscation of his property, or closing down the factories, with immediate confiscation as the result. If he decided on the former course, although, as he recognized, a certain quantity of steel would inevitably go to Russia to be used for war purposes, still this would not abet Russia's cause so much as if, by completely shutting down his factories, he would allow Russia to take them

over and put them entirely at the service of her military needs. It cannot be held, therefore, that Possehl gave aid, of his own will and through his business, to a foreign power at war with Germany."

Possehl, following this decision, was not only set free, but was welcomed home with honors by the Senate of Lübeck; and he was, moreover, heartily congratulated on his patriotism by the Kaiser.

In the *Richterzeitung* for May 1, 1915 Dr. Eric Wallroth devoted nineteen long columns to showing that Germany, unlike England, could not prevent all dealings with the enemy. He said: "Unfortunately we cannot prevent our enemies from getting their finest battleships and cheapest armor plate, as well as their heavy artillery from their enemy, Germany." This Lübeck compatriot of Possehl's declared, further, that the Ministry of the Interior had frequently allowed such exports "even when a given exporter entertained not the slightest doubt that the product would eventually find its way to the enemy countries." In the same way, Wallroth justified the British firm of Dunlop, who sold rubber tires to neutrals which were later used by the German war forces.

VII

THE DYNAMITE INTERNATIONAL

OF ALL explosives, dynamite is admittedly the most effective. The science and technology of war long ago adopted dynamite, but the commercial ramifications of the industry which have grown to be international in scope, have a special and instructive bearing on our subject, namely the interrelations of the armament industry before, during and after the war. The armament industry was of course silent on this question during the conflict, and this was to be expected by anybody who had a glimpse of the truth. In 1915 Wilhelm Möller attempted to print something about it in Hamburg; but his article was promptly suppressed by the German censor. However, in August of the same year, he wrote a pamphlet containing further observations on this "explosive" question, which he set up and printed in his own printing establishment.

An advertisement which appeared in the *Hamburger Fremdenblatt* is given below. It will be seen that the dynamite trust, in spite of the os-

tensible confiscation of enemy property, succeeded in obtaining passports for its British and German agents, so that they might personally meet and arrange for the exchange of shares. This was done with the permission of both governments. The advertisement follows:

Announcement of the Exchange of Shares of the Nobel Dynamite Trust Company Ltd., London, against shares of the Dynamit Aktien Gesellschaft, formerly the Alfred Nobel Company of Hamburg.

WITH the consent of the two governments, and contingent on the acceptance by the general meeting of the executive heads of the following companies formerly owned by the Nobel Dynamite Trust Company Ltd. of London: the Dynamit Aktien Gesellschaft, formerly the Alfred Nobel Company of Hamburg, the Rheinische Dynamit Fabrik of Cologne, the Dresden Dynamit Fabrik of Dresden on the one hand, and on the other the Nobel Dynamite Trust Company Ltd. of London, have agreed on the complete severance of the above-mentioned German companies from the Nobel Dynamite Trust Company, Ltd. and its associated British dynamite companies. This agreement to be retroactive to January 1, 1914. Ordinary shares of the Nobel Dynamite Company Ltd., held in Germany, will be accepted in exchange for the same class of shares in the Dynamit Aktien Gesellschaft, formerly the Alfred Nobel Company of Hamburg. To this end the Dynamit Aktien Gesellschaft, formerly the Alfred Nobel Company, will increase its capital stock to 36 million marks, so that the owners of common stock in the Nobel Dynamite Trust Company in Germany will receive in exchange for each

fifty pounds a thousand mark share in the Dynamit Aktien Gesellschaft, formerly the Alfred Nobel Company of Hamburg.

A further condition of the execution of this exchange is the turning over of at least one million and a half pounds by the Nobel Dynamite Trust Company Ltd. A maximum of 1,800,000 shares will be exchanged.

The German holders of shares in the Nobel Dynamite Trust Company, Ltd. who wish to take advantage of this exchange, are requested to hand over their ordinary shares with their numbers stated clearly, beginning Friday, May 14, 1915, at the following banks:

Nord Deutsche Bank, Hamburg.

The Disconto Gesellschaft, Berlin.

The A. Schaaffhausenschen Bankverein, Cologne and the Banking House of A. Levy.

Certificates of deposit will also be issued by the banks to those who present the numbers of their shares, etc.

This applies to ordinary shares of the Nobel Dynamite Trust Company Ltd., bearing the German stamp and owned in Germany; these will be accepted first in the order in which they are offered for exchange.

Shares in the possession of Germans, but which do not bear the German stamp, but held in foreign countries and so entered on the books of the company, will be accepted after the first class have been exhausted. Such shares must be handed over to the Nord Deutsche Bank in Hamburg, and the exchange of these shares, and the due payment of 120 marks per share, can only take place after their delivery. The banks where the exchanges are posted are limited to 800,000 pounds of ordinary shares of the Nobel Dynamite Trust Company Ltd., London, and this is the maximum that may be exchanged, at any given time, the

last day when exchanges may be effected being May 26, 1915, etc., etc.

NORD DEUTSCHE BANK, HAMBURG,
Hamburg, May 15.

The exchange was of course eminently successful; and a similar public announcement which appeared in England no doubt met with an equally gratifying success.

VIII

AFTER THE WAR

AFTER the war, the international expansion of the armament industry, with all its interlocking relationships, took on a new and even more intimate form. Until the outbreak of the war, to a very large extent its stock-in-trade, literally speaking, consisted merely of the products of the armament factories. But to-day this is not enough; the relations have grown closer because the necessity for raw materials, from which arms and war munitions are made, is now fully realized; and the scope of the armament business embraces all basic industries. Moreover, the ramifications nowadays have a good deal to do with universal manufacturing methods, and keep pace with the progress of standardization. This has, to a large degree, changed the very concept of armament-making.

Before the war, the manufacture of arms was confined to fire-arms, munitions and other military accessories. No one at that time thought of linking it up with other branches of industry that

seem to have no immediate connection with the waging of war, such as, for example, the railway supply industry. The only country that seems to have prepared against the possible monopoly of its railways by an enemy, was Russia, which may be due to the fact that she has far more mileage to supply, and protect, than other European countries.

The war at any rate showed one thing: namely, that nearly all industries are enlisted in the business of arming a Power at war, and can be made to serve it in some measure. The modern evolution of warfare has drawn in, most particularly, the chemical and oil industries, which may now be overtly reckoned as quite indispensable to the armament industry. The textile and mining industries, all the big metal industries, optics and aviation, these too now belong in this class. All industries that concern, or in any way affect, the technology of traffic are in some fashion bound up with the armament industry, if only in an auxiliary capacity.

A vast revolution has taken place, of far-reaching import not only to future combatants but also to non-combatants; and this change is not generally—at least not openly—envisaged by diplomats and scholars, by politicians and journalists, by friends of war and friends of peace. The World

War and, above all, certain recent developments that have taken place since the Armistice, show pretty clearly that a not too distant war will not be fought with guns, either machine guns or Big Berthas, but with other means.

According to Clausewitz, war is only an extension of politics in another sphere, or on another plane; in future we may expect an extension of the World War, as a consequence of European or international political developments, in yet another, a third sphere or plane. Members of the German Reichstag, like Herr Brett, who chant pæans to the cavalry which the Germans are permitted by the Allies to maintain, who call it a priceless weapon in time of war, simply mock at their own chains. Of course, they do not realize how amusing and naïve they are. The German cavalry was one of Marshal Foch's little jokes. It is, to begin with, rather expensive to maintain, and utterly useless; and it lowers the fighting strength of the Reichswehr by exactly the numerical strength of its personnel. Equally ridiculous is the question as to whether or not lances should be used, of which we hear echoes now and again. This is just as pat and timely, in fact, as the substitution of Archimedes' catapults and ballistics for the modern trench mortar. These sterile

discussions, and their echoes in the press, only serve to reënforce the view that the common man and his leaders have not the slightest inkling that the art of war is undergoing a tremendous change.

The particular development which is now reaching its head is as significant, in my view, as that which marked the invention of fire-arms. The companies of gallant knights fell before the as yet primitive arquebuses and flintlocks; and so medieval methods of fighting were renounced when medieval arms failed of their purpose. Frederick the Great could not have won his battles with the oblique phalanx of Epaminondas, and Napoleon put an end to the tradition of Frederick the Great with his sharp-shooting tactics, which grew out of an immediate necessity.

When the next war breaks out, it will start with the most devastating air and gas fighting. After the destruction of the enemy air fleet, the objects of attack will not be lines of troops or mere fortresses, but industrial centers and capital cities. On the heels of the victorious invaders will follow tanks, motorized artillery and infantry, but only for the purpose of occupying the enemy country and mopping up the areas of final resistance. It is self-evident nowadays, that no nation can wage war without the essential ma-

terials for the manufacture of airplanes and motors. Both Great Britain and the United States, who have easy access to oil, were among the first countries to reduce their armies to peace-time strength.

The reason is obvious. They can do as they please. They can mobilize at will. They can, at their own sweet pleasure, build up their armaments or the apparatus for armament-making. Who, indeed, is to hinder them? France, however, does not own a single drop of oil and is, therefore, in a markedly disadvantageous position. It is a well-known fact that France manages to eke out her oil supply by the addition of alcohol. The so-called "national" fuel is, in short, doctored; and the disproportionately large armies of France, Poland and Italy may be explained on the basis of haunting fear.

The masters of the world to-day are beyond doubt the Anglo-Saxons. They possess oil; they possess iron, and there is no lack of raw materials for the manufacture of poison gas and other lethal chemicals within their borders. They do not need Germany. They do not need France. It is no doubt true that the German and French steel and potash industries, closely allied and welded as they are by special agreements of one sort or another, are

of far-reaching, if not world-wide, importance. But this does not alter the fact that Europe is all but unarmed without oil.*

It may be pointed out that there are oil wells in Galicia, that is to say, in Poland, as well as in Roumania. It is only, however, with the consent of England and France that such oil will be sold to Germany; and in a future war which meets with the disapproval of England, it may be assumed that this oil will not be placed at the disposition of Germany when she most needs it, even though German business men and bankers have made substantial investments in both the Roumanian and Polish oil regions.

It is not likely, moreover, that Germany will be able to obtain oil from Russia, although should England and Russia engage in a war, Germany will doubtless export Russian oil to England for her war needs. Thus far the feeble tentatives of the League of Nations toward disarmament have been astutely shelved. The time for complete disarmament has not yet come, it is said. The issue cannot be forced and the thing will come of itself, unobtrusively, in its own good time. These are all the assurances which the peoples of the world

*The adoption of the Bergius process for the conversion of coal into oil is believed to be changing this situation from day to day.—Author's note.

have been able to extract from the League of Nations.

Little else was, in the nature of things, to be expected. As long as men profit by war, the industrial and financial powers behind the voluble politicians will not permit a movement toward general disarmament which stands any slight chance of success. The common people are not yet awakened to the imminent danger, and even if they were, there is no sign on the horizon that they would put a stop to armament-building and preparations for the next fiendish war.

It is quite reasonable to suppose that as a result of the revelations in this book, which have been authenticated from the most reliable sources, some effort would be made by the peoples of all countries to abolish the armament industry as in itself a virulent threat, a concrete menace of war. But nothing could be farther from the actual facts as they may be studied to-day. The armament industry, as I have repeatedly stated, has widened the orbit of its activity; and almost all industries have in consequence grown to be in a sense armament industries, since all, in one way or another, profit from this business. Preparations for war are indeed as gainful as war itself. The slightest increase in the size of any fleet enriches the oil refineries by millions of dollars. All modern battle-

ships are fuel-driven. No modern army can be equipped except with the most modern arms, and the machinery of up-to-date warfare gets outmoded at a rate that is almost inconceivable to the layman. The commissary departments of all armies keep in close touch with industry, insist on an increasing standardization for their own purposes, and see to it that separate industries work in close harmony with one another. For in case of a sudden emergency, industry must be capable of turning out, without delay, whatever is required, and to this end the War Departments of all countries keep the factories in line and carefully prepare for what they know may happen almost any day.

In this connection General von Seeckt's article "Modern Armies," which appeared in *Nord und Süd*, April 1928, is quite revealing. General von Seeckt says in part:

"There is but one way to arm the people as a whole, and that is by standardizing the types of arms in use, and preparing the masses for a time of emergency. The army, aided by technology, is in the most favorable position to choose the best type of fire-arm at any given moment, through continual study, experimentation and use. The relations with industry should be so close and so sensitive that, as soon as it is recognized as adequate, this kind of fire-arm could be turned out in the quantities needed, and further preparations be made for coping with the con-

tingency of the future. Intensive preparations of this kind are necessary, and at the present moment Germany is handicapped by not possessing legal sanctions from the Allies to do just this. But it is clear that in this procedure the closest coöperation must take place between the army chiefs and business men; so that, at a pinch, raw materials for all branches of armament and munitions will be assured. An adequate national subsidy, even in peace-time, which will enable the factories to be converted from a peace- to a war-time basis, and cover the cost for setting aside of material and machines to this end, will be more beneficial to the country than the maintenance of large and obsolete stores of supplies. If scrupulous methods give way to the most direct methods, especially during a general mobilization, which must be brief and rapid, then the time-interval between orders given for war materials and their delivery will be shortened; and the time thus gained will yield the army a superior advantage."

Also, on this point, it may not be amiss to quote from *The Present State of Germany* by the British General, J. H. Morgan, which appeared in 1924. General Morgan observed:

"I have often been asked whether Germany was disarmed. To this question I replied with another: 'What do you mean by disarmament?' We destroyed about 35,000 guns, confiscated several million rifles, dismantled fortifications, blew up powder factories and put Krupp out of business. But there are three things that cannot be destroyed: men, industry and science."

And further:

"There is only one way to disarm a great industrial nation, and that is to destroy all of its industries. War has become so technical, so mechanical, that every large engineering center is a potential arsenal. A factory that makes printing press cylinders or propellers can at a moment's notice be converted into a hand-grenade factory."

Thus we see that the principal factor in future wars, according to these experts who should know, is raw material; and as far as the two great Anglo-Saxon countries are concerned, the question has been solved. For all the others, however, with the exception of Russia, it is apparently insoluble without the aid of England and the United States. England is fully cognizant of her strength in this connection, but does not think it necessary to boast about it, as did the German patriotic organizations before the Great War.

England has become the center of the European armament industry, now that Krupp has been put out of business, and Schneider-Creusot has come under the domination of British interests. The most powerful forces in the world to-day, such as the Royal Dutch Shell Company, the Bank of England, the Schroeder Bank of London on the one hand, the Standard Oil Company, the General Electric and Bethlehem Steel Companies, the Morgan interests, are quite openly hostile to the Soviet Government, and are coöperating for the

downfall of the present Russian rulers, so that they may be able, no doubt, to fish undisturbed in the muddy waters of the gigantic overturn. Lest it be thought that this is a scarehead, or that I am merely theorizing or indulging in cart-tail oratory against these world-wide interests, I beg the reader to consider the recent more or less overt activities of Sir Henri Deterding (whose present wife was, incidentally, at one time married to a former Russian White Guard General). Sir Henri has been waging a private war against Russia which has thus far met with unqualified failure.

Sir Henri Deterding has again and again incited certain sections of Russia against the Soviets; in 1919 British banknotes were used to provoke the Kabardians and Mingrelians so that Great Britain might obtain control of the Transcaucasian routes; and in 1923 he stirred up the people of the Caucasus to an insurrection which was "liquidated" in blood by the military forces of the Russian government. The Tscherwonzy forgeries were committed at his instigation in 1927. Tscherwonzy was arrested by the very efficient Berlin police, his nefarious dealings exposed to the world, and the Soviet Regime, thanks to this sensational exposé, was made securer than ever before. What Sir Henri Deterding is driving

at is all too apparent: He cannot of course resist the seductiveness of the pipe lines from the oil wells of Baku, which is the port of export all the way from the Black Sea to the Isthmus.

Hence the unceasing crusade, in the press and elsewhere, against the "oil robbers," who are the Soviets of course, because, forsooth, they nationalized both the British and American pre-war oil concessions along with the rest of their natural resources. The British and American people do not yet foresee the implications of these attacks on Soviet Russia, and their ignorance of the secret machinations of their industrial and business leaders is going to cost them a good deal. For it is undeniably true that when Lenin, acting according to the principles of the Russian Revolution, tore up the Urqhart agreement of 1922, a new world war with other and more potent ammunition was started. The ground for this war is now being slowly prepared. But the European nations have learned their little lesson from the last war and its outcome, and they are no longer docile, no longer ready to sacrifice millions in lives and treasure to the greater glory of England. The other European nations have likewise resolved, if possible, to profit wherever they can. And in the next war, the one that is currently brewing with Russia, we may hazard that the "soldiers of God,"

the French, will not march on Moscow. What have they to gain by this move? They have been sufficiently decimated; they certainly suffered more than enough; and, what is more, the present two-child system and the general war-weariness throughout the country, discourage the possibility of France doing her bit in the next big slaughter. This leaves Germany. What about her?

Germany's politics—I am careful not to say foreign politics here—are controlled by the British Foreign Office. This state of affairs was brought about long ago by Lord d'Abernon, who had a good deal more to say as the "Lord Protector" of Germany than the long-suffering Mr. Parker Gilbert. I do not propose in this place to discuss the clandestine relations between Mr. Gregory of the Foreign Office and the German putschists. Both the big and little business trips ostensibly taken in the interest of German politics by Dr. Luther, Prince Henry and Ex-Czar Ferdinand of Bulgaria [*vulgo* Count Murany], always had something to do with England, in one way or another, as is now fairly well-known. Even General von Seeckt, it is asserted, bought fully "a thousand words of English."

It is clear now that small concessions concerning the Treaty of Versailles were not at all the purpose of these trips. The French were forced

impotently to look on, and gnash their teeth, or to invoke the much-advertised spirit of Locarno. But it is not my aim to consider the political ambitions of this or that military expert. Perhaps these ambitions will yet be realized; perhaps new political forces and events will alter their present tendency, for there are, needless to say, various possibilities of war in Eastern Europe and the Balkans; and these may yet reach a critical stage before the British-Russian Armageddon which is in the offing.

IX

THE STRUGGLE FOR RAW MATERIALS

THE question of raw materials is of such vast import that it is essential to our theme to take up each one individually, showing how they are acquired, bought and sold and ultimately exploited in such a way as to make wars not only possible, but inescapable.

For hundreds of years France has been known as the "hereditary foe" of Germany. Like all so-called "historical" facts this must be taken with a little more than a grain of common salt. The Great Elector, for example, not only gave asylum to the exiled Huguenots, who were the most industrious stratum of the French nation —in his reign, it has been calculated, one out of every three inhabitants of the city of Berlin was a Frenchman—but at the same time, for a certain cash payment, he concluded military treaties of friendship with the oppressors of the Huguenots. The splenetic rage of the contemporary Pan-Germans, moreover, calls our attention to the fact that Frederick the Great, not only in

his everyday speech but in his convictions too, was, as it were, a Frenchman accidentally born in Germany. On the other hand, French chauvinists do not like to be informed that the very name of their country is of pure German origin.

Now this "hereditary foe" of the Pan-German chauvinists possesses iron ore, but not a sufficient supply of coal for her purposes; and Germany possesses rich coal mines, but not enough ore to meet the needs of her iron and steel industries. Under such conditions, every normal man would say: Let the Germans and the French come to a reciprocal understanding for the meeting of each others' needs. This is the easiest way and the calamity-howlers and sabre-rattlers of Europe have now hit upon this simple solution, but only after they have decoyed their respective peoples through the ghastly by-path of the late World War.

September 30, 1926 is the red-letter date of the Iron Agreement, which united the metal industries of Germany, France, Belgium, and Luxemburg—or which at least blazed the way for such a fusion in what is now known as the International Raw Steel Corporation. Even before this, the potash industries of France and Germany were amalgamated into a community of interest. This business symbiosis of the so-called key industries in several

countries offers, as far as these countries are concerned, a far more reliable pledge for enduring peace than the combined efforts of pacifists and political parties. And this should give us pause.

For if such an inter-relationship as this of the potash, iron, steel and coal industries—also the chemical industries—tends to prevent war at its very source, we might say, then it also has the power—or at least the armament industries associated with these have the power—to engender the most horrible of wars. Yet even this idyllic picture, which I have attempted to view only in the most favorable light, has its grave obverse side, which is exemplified by the career of Arnold Rechberg. Rechberg, unlike his colleagues, however, has been singularly forthright in setting forth the true facts of the case in which he himself was deeply involved.

Arnold Rechberg is the German industrialist who in 1919, and at that time quite singlehandedly, strove through literary propaganda and political activity for a corporate relationship between the great key industries of Germany and France. Still, when he perceived the mischievous effects of this community of interest, he did not hesitate to publish an article in the *Vossische Zeitung* for June 7, 1928, entitled "Ger-

many and France: The Material Guarantees for Peace." In this he stated:

"The struggle between the German and French basic metal industries to gain control of German Coal and French ore was definitely ended by the Iron Agreement of September 30, 1926, providing for a practical joint-operation of both. All difficulties in the way, however, have not yet been smoothed out. The French metal industry is firmly resolved to offer the greatest resistance to the disarmament of France, which is synonymous with the reduction of her orders for war material. According, then, to all human calculations, there can be no doubt that the conservative parties of France, which are financed by the metal industries, will be influential enough to prevent the disarmament of France. The reason for their resolute opposition to disarmament, a reason that is circulated for public consumption both by the big French metal industries and the right-wing parties whose policy they dictate, is the convenient fiction that France is threatened by a secretly-armed Germany. The big metal industries, however, have another interest: the building of fortresses in the East, from which, to be sure, they anticipate a not inconsiderable profit. In order to carry through this project, recourse is had to the fiction that France is being menaced by a superior military force.

"It is obvious that this combine must above all appear as an obstacle to a Franco-Germany understanding, an obstacle, moreover, that will be extremely hard to overcome. As I learn from a reliable source, for some time there has been a change in the political outlook of the captains of the French basic industries, and the plan is now being developed to foster the Franco-German indus-

trial alliance, which has come about through a series of agreements concerning potash, iron and chemicals, and it is now being urged that a political and military alliance go along with it."

Rechberg's article was confirmed later by a report, issued in October 1929, dealing with the conversations that took place between the German Nationalist member of the Reichstag, Kloenne, and the French deputy Reynand, in which it was revealed that such an alliance would be directed against the Soviet Republic.

It would be unreasonable to assume that such a Franco-German alliance as is envisaged by Rechberg will soon take place, and we may expect a good deal of water to flow down the Rhine before it is actually consummated. Nevertheless, there are innumerable signs and tokens to show that what happened in Germany less than one hundred years ago is now being repeated on a much larger scale. The German peoples, in spite of their common language, quarreled with each other then much as Europeans do to-day; and their union came about as a result of the most prosaic facts: the tariff union and the railroads. Why, for instance, pay duty on ten frontiers? Why carry a pocketful of passports in order to take a three-hour journey?*

* It is on this basis, of course, that Count Nicholas Coudenhove-Kalergi of Vienna has founded his Pan-European move-

Let us grant, for the moment, that such powerful coöperation tends to reduce the chances of war between the two great industrial countries of Europe; but, as against this, we must not forget to take into consideration the rise of the new fuel, petroleum, which bids fair to develop into a new incitement to future wars.

A Frenchman once said that the proletarians of the world had not yet united, but that the petroletarians were certainly making an attempt to do so. So far they have not succeeded. The danger is still rife that the new world-union of petroletarians will hurl us into a new world catastrophe. Petroleum is beginning to supersede coal as fuel, and in this connection we must, I think, take into purview the Bergius process, recently discovered, whereby coal can be liquefied.

Nowadays the business of war-making cannot get along without petroleum, which has mounted in importance within a very short time; for large battleships are equipped with oil-burning engines in all fleets, and army trucks, tanks and the so-called motorized artillery cannot operate without gasoline. Petroleum, moreover, is the basic stuff

ment, which has met with the approval of certain European statesmen, like M. Briand and Dr. Curtius. It is significant, however, to note that the founder of Pan-Europeanism excludes Russia from his political paradise.—Tr. note.

for a good many products in the chemical industries, whether used in war or peace.

The far-sightedness of British policy before the war is seen in the founding of the Anglo-Persian Oil Company which, since 1905, has been something of a pet of the British Navy. In 1914 the British government took a direct interest in it. As soon as the Anglo-Persian was organized the British Admiralty was represented on the board of directors through Rear Admiral Sir Edmund Slade and Lord Inchcape, *ex-officio,* and as well also through the Prince of Teck. According to the official German statistical yearbook for 1928, the production of oil for the year 1927 in thousand metric tons was as follows:

U. S. A.	124,082
Mexico	9,785
Canada	63
Venezuela	9,435
Peru	1,292
Argentine	1,268
Columbia	2,086
Trinidad	723
Dutch Indies	3,060
British India	1,191
Sarawak	720
Japan	236
Russia	10,130
Roumania	3,661
Poland	723

Germany	97
France	73
Miscellaneous	36
Persia	4,886
Egypt	185
Total	173,732

According to other figures, the total was 178 millions. In the United States alone, during 1926-1927, production was increased by 22.5 millions of tons.

The struggle over oil wells is growing more and more acute every day. There are two focal points of production: one is in the Old World, that is, in Baku; the other is in the New World, in North America. The latter is at present the more important. On the western continent, chiefly because of oil, a certain amount of antipathetic feeling has arisen against Mexico. So unscrupulously, and with such heedless waste, does the United States exploit its oil wells that exhaustion is anticipated in from five to seven years. Among the countries of the Old World, dissension between the several states, and a general antagonism to the United States, is to-day noticeable. The chasm is being widened every day by the antithesis of the governmental systems, between America and Europe, and between Europe and Russia.

The forces of the Standard Oil Company, formerly in the sole possession of John D. Rockefeller, and now administered by Walter Teagle, are lined up against the Royal Dutch Shell Company of London, which is a Dutch-British concern directed by Sir Henri Deterding. Between these two groups, a sort of oil truce is being arranged as I write this. Naturally the propaganda attack is shifted to other quarters; the new enemy heaves into view; and this is the Russian Nepht Trust, which has of late become a menace. Deterding calls the Russians oil robbers because they confiscated, without compensation, the highly valuable British oil concessions around Baku. Deterding, operating at a decided disadvantage from that moment onward, was forced to make a compromise on deliveries from the Russians, and this agreement dates from the early part of 1919.

An insight into the magnitude of the industrial forces interested in the world-organization of coal and oil, may be gleaned from a mere survey of the numbers that attended the fuel sessions of the World Power Conference in October 1925 in London. Fourteen thousand experts from forty-seven countries took part. One hundred and seventy reports were drawn up. Whereas, back in 1924, the date of the organization of the World Power Conference, the admission of Germany

was successfully blocked; in 1928, on the proposal of the French delegates, at whose head was General Guillaume, German, together with English and French, was recognized as an official language in the deliberations. I merely adduce this fact, in itself of small moment, so that the industrial accord of the German-French potash, iron and chemical interests may be seen in a fresh light, that is to say, in its proper bearing on a future, not impossible triple alliance between Germany, England and France.

Other materials, of equal rank as elements in war preparations, have won a place beside iron, coal and petroleum. First among these is of course poison gas; and there is no doubt that this new discovery will in time supersede gun-powder. There are several other basic materials which will play nearly as big a part in future wars as poison-gas, although the next war is certain to be carried on, for the most part at least, by deadly chemical gases and explosives.

From 1914 to 1918, Germany held the advantage, in the field of chemicals, over any of her enemies. The enormous earning power of the German chemical industry has grown to such proportions that the I. G. Dye Company is now housed in a structure that is as imposing as a

government building or institution. It has, as was to be expected, come to an agreement with the corresponding French groups, but it has not yet arrived at a similar accord with the British, as represented by Sir Alfred Mond, now Lord Melchett. In any case, all who are directly concerned recognize the vast importance of the chemical industry henceforth in the waging of war. Amos A. Fries, an American, in his book on chemical warfare, in the course of summing-up, has this to say:

"The World War opened the eyes of Great Britain, France and Japan, as well as the United States. Each of these countries is busy building up a mammoth chemical industry, as a solid basis for a successful war. Who among us, before the war, would have imagined all the things the Germans have been able to make out of a stinking mass of coal-tar?"

In another place he asserts:

"Gas war will never be abolished."

For America, a war—and this includes even a chemical war—does not offer much of a problem. It has within its own territory everything that it may need. Germany, at least in respect of coal, is independent. In respect of petroleum, it can, I believe, yet grow independent within a short time through the Bergius process already

referred to—that is, through the liquefaction of coal. It is, if nothing else, the single country on the continent that may be regarded as the safest and best-equipped arsenal. The actual work of the conversion of industry to the manufacture of poison gas is a trifling matter when compared with the turnover that is insured by such a transmutation.

France, in this regard, is in the worst position. Except for an annual output of about 25,000 tons from Pechelbronn, she has no petroleum. Her demand for about 700,000 tons monthly can only be met by importation. The import figures are as follows:

U. S. A.	90.5 per cent
Mexico	4.8 " "
Roumania	4.7 " "

In accordance with the treaty of San Remo, 25 per cent of the Anglo-Persian oil is at the disposition of France.

But this, obviously, is only a drop in the bucket. France is faced with an oil problem that is, so far as any one can see, without an issue at present, and which will be difficult to solve in the future; and there is a touch of irony in the fact that her harbors are equipped with tanks that boast a capacity of 1,900,000 cubic meters. The

frankest expression of this problem will be found in General Camon's book entitled *La motorization de l' armée et le manoeuvre stratégique.* He believes that France's total supply in an emergency will last approximately five months.

It is only a possible emergency, specifically of a war with one of her Anglo-Saxon Allies, that puts a sinister aspect on this situation of the scarcity of benzol and oil. Before 1914 France imported all her benzol from Germany. Heavy oil as a by-product of illuminating gas was then comparatively unknown. But in the interval conditions have greatly changed. France is not at all backward in helping herself wherever she can, even if she has to appeal to the I. G. Dye Co., a German enterprise, which will prove a powerful element in future armaments. This company is, at present, coöperating very closely with the French chemical interests.

On November 11, 1919, the very day of the armistice, a representative of the German Chemical Trust signed an agreement with the French government, that is to say, with the French Ministry of War and the Société de l'Azote. The French government openly admitted that a successful use of the German patents could only be achieved "with the active coöperation of the patent-holders." Consequently, the most impor-

tant German chemical concern, with the full approval of similar concerns, declared itself most willing "to furnish the necessary facilities for the purpose of manufacture, and to take charge of the construction of a rival factory in France or in the French colonies, within the next fifteen years." For this useful service the German chemical interests were to receive compensation depending on the number and size of the poison gas factories built in France with German aid.

But this agreement was not immediately given effect, due to the opposition of the French Chamber of Deputies; and it was only approved by the French Chamber in February 1923, and became a law on *April 11, 1924.* I italicize the date. There are strange paradoxes in this business of patriotism. The agreement for the construction of a French chemical war industry was given the force of a law, and was to be carried out with the indispensable aid of the German chemical magnates, at the very moment when the peoples of the Ruhr were offering a passive resistance to occupation by the soldiers of French imperialism.

Now almost as far-reaching as these ramifications of the German chemical interests and their close connection with France, are their ramifications in the United States and England. Artificial silk and dynamite processes have been adopted

turn by turn by other countries, by Italy and Belgium; thus Germany's industrial skill and progress flows into other lands and strengthens their war machine, some day—who knows?—to be turned against Germany itself. But, for the moment, I wish merely to emphasize this fact: that as far back as 1919, when the wounds of war were not yet healed, the German Chemical Trust offered to provide the French Ministry of War with the necessary materials and personnel for the manufacture of poison gas.

It will be recalled that when the poison gas catastrophe took place in Hamburg on May 20, 1928, all sorts of reassuring explanations were offered, one of them being that gas was not manufactured, and that this was simply old war material. It was also set forth that it was phosgene to be used for industrial purposes. It was, however, at once suspected that this was pure war gas, which was being manufactured in accordance with the terms of a secret German-Russian military agreement. The question arose at once: What will the Allies say, since they had forbidden Germany to manufacture poison gas for military purposes? When political winds began to blow, the British government hastened to make comforting excuses to Parliament. What about the French, the so-called hereditary foe of Germany?

To everybody's astonishment the French expert at the first Interallied Commission of Control, Henri Muraour, *Ingenieur en chef des Poudres*, gave an explicit explanation in the *Matin* to the effect that this phosgene was a dye stuff and that its production did not come under the Treaty of Versailles, and furthermore, that the Hamburg explosion was no proof of the secret manufacture of poison war-gas.

This explanation is puzzling in the extreme, for there can be no doubt that the Hamburg explosion was due to war-gas.

Herewith are given the international interrelations of the German chemical industry, with special reference to the I. G. Dye Company:

A. Dye materials and Auxiliaries (i.e. Poison Gas) Associated with the following:
   The Graselli Dyestuffs Corporation, Cleveland, U. S. A.
   Fabricacion Nacional de Colorantes y Explosivos, Madrid (50 per cent).
   Soc. Chim. Lombarda A. E. Bianchi e Co., Milan.

B. Manufacture of Poison Gas, including Dynamite:
   Norsk-Hydro Elektrsk Kvaelstof A. S.
   Alfred Nobel and Company (financial

connections with Ullrich and Company), Patsch, near Innsbruck.

The erection of a poison gas factory has already begun in the United States, and this is described as being in all essentials like those with which American interests have been in the past associated on the continent.

C. Inorganic Products and Organic By-products.

The I. G. owns the Sociedad Electroquimica de Flix, Barcelona, through which it has a share in the Fabricacion de Colorentes y Explosivos, Madrid. Though the Dynamit Aktien Gesellschaft, formerly Alfred Nobel and Company, it has close connections with Carbidwerk Deutsch Matrei A.G., Vienna, the Stickstoffwerk Ruse, Austria and the Bosnische Elektrizitäts, Vienna.

D. Oil and Motor Materials.

The Maatschappij voor Kolen en Olie Techniek (Makot), the Hague, is a subsidiary company of the Evag., Berlin.

The British Bergius Syndicate, Ltd., was recently organized in England.

Modern technology sweeps into its circle a large number of apparently isolated products and fields; but certain main outlines which are nor-

mal for all countries conduce to the formation of international norms and types. (The first attempt along this line was the metric system, devised a hundred years ago). It is beyond question an immeasurable convenience if automobile spare parts, for example, can be obtained in Lisbon and in London as easily as in Warsaw and Moscow.

This has culminated in a number of things to which public opinion has hitherto paid very little attention. The amalgamation of war industries, for one thing, in Western Europe, especially in England and Germany, is becoming more and more "intimate."

In the construction of airships, internationalization is also visible, apart from the matter of exchange of shares. In this field of industry, as in the automobile business, the connections are openly shown through a series of patents. Moreover, business secrets in this sphere are hardly possible, since airships, like automobiles, continually visit "enemy" countries, and the careful observer sees all he wishes to. The Vickers Airship Company exerts a widespread influence on the English side. Its branches are not only established in Canada, but it owns valuable shares in the Nederlandische Vliegetuigenfabriek, Fokker, Amsterdam, and in the Junkers Company in Dessau. The French seem to have kept themselves

fairly independent, even if their secrets, much as they wish, cannot be kept to themselves.

The patent naturally puts a certain amount of valuable information in the hands of the government. In the event of war, the army could take over private automobiles and trucks without too great difficulty, and the rest would be merely a question of organizing the fuel supply and grouping the vehicles in effective units according to a pre-arranged system. The motorizing of armies has now been reduced simply to a matter of time. Yet it has not gone forward as expeditely as the present state of motor technique would seem tc promise. During the war the Allies, all told, had only 200,000 automobiles, the larger part of which consisted of trucks. Since 1924 France alone has had 630,000 trucks.

We may conclude this part of our survey with an observation which may have already occurred to the reader, namely, that the motorization of the army and the fleet is dependent on the solution of the oil and coal problems; that is to say, the rapidity and effectiveness of such a motorization are subservient to these other salient factors. And in this matter international ramifications of one sort or another are quite inevitable to-day.

The growing alliance of German and British war industries was mentioned and commented

on in the German Reichstag in the sessions of March 15 and 27, 1928. All sorts of affiliations between the building of tractors for agricultural purposes and small tanks was at that time emphasized, and unrefuted statements were vented about the joint attempts of German and British naval authorities to supply submarines to Spanish drydocks.

Articles and plans in engineering journals, moreover, show distinctly that the building of large agricultural tractors in Germany includes enigmatical parts that could only have a function in the event of war and, especially, a poison gas war. Such parts as wheels, plugs, axles, easily interchangeable between the industries of two countries—as, for example, Germany and England—offer great advantages for the joint waging of war, once the alliance of the two countries is consummated. I think we may safely assume that political alignments will in time shape themselves overtly along the lines suggested by this quite evident development in the industrial field, where a common standardization is being aimed at by both countries. Or, can it be that such a secret agreement is already in existence? What I mean is this: Has the German government concluded an understanding with the British War Office and the Admiralty, which to-day cancels

Germany's former secret military alliance with the Soviet Republic? Forthcoming events will no doubt supply the answer to these questions.

The Shearer case caused no small sensation in the press, for it brought to light the fact that several munitions factories employed him as a press-agent, and that through his propaganda in Geneva, this five-franc man, as he was referred to in the newspapers, managed to break up the second so-called "disarmament" conference, in June, 1927, between England, the United States and Japan. Later he sued his employers for his emoluments. Perhaps this is less significant than the fact that, as a consequence of this affair, the President of the United States opened an investigation into the matter of war propaganda. And this, let it be remarked, for the first time in all history! The results, of course, are yet to be seen. But what is less well-known in Europe is this: that American ship-builders set aside a large sum to establish a lobby in the Senate so that it might pass the Jones-White Bill. This was admitted by Clinton L. Bardo, president of the New York Shipbuilding Company.

According to Leonid, whom I have already quoted, the Krupps, in the spring of 1927, ac-

quired important shares in the Swedish Bofors Ordnance and Drydock Company, which operates with the Krupp patents. The French firm of Schneider also seems to have bought shares in Bofors. Whereupon the production of this firm, which is chiefly intended for export, rose as follows:

	1926	1927	1928
Kronen	9.3 million	11.3 million	42 million

In Germany to-day we note the existence of an active form of propaganda to have Poland replace France as the "hereditary foe." This gives rise to a danger which many believe will shortly reach the explosion point. This German-Polish crisis is closer to us, perhaps, than the threatened British-Russian clash. And yet, according to the reports on the Bourse, the affiliation of the armament manufacturers of both countries has been effected and is now in full activity.

In the summer of 1928 a Polish machine gun plant was set up on the premises of a bankrupt automobile factory near Warsaw. The Ludwig Loewe Company of Berlin furnished the necessary machinery, the Allgemeine Elektrizitäts Gesellschaft supplied the power, and the raw steel came out of the Saar from Mannesmann. The shares, that is at least fifty per cent of them, are in the hands of Skoda and the residue is being held by

the Polish government, as represented by high officials.

Furthermore, according to the statistics issued by the League of Nations in 1924 regarding the trade in arms, Germany had exported to Poland war material that was valued at 3,043,000 marks.

For a period of four thousand years China was the greatest civilized country in the world and possessed scarcely any military equipment. Nowadays all European countries compete furiously with one another to supply China with arms, as in 1840 they scrambled to flood the country with opium. Just as she offered some resistance then, she is resisting now. Since 1928 an agreement has been in force to the effect that Hamburg manufacturers shall send German arms to China only in British boats. According to the statistics concerning the trade in arms prepared by the League of Nations, China in the year 1925 alone imported 5,400,000 dollars worth of arms, one-half of which came from Germany. These figures do not quite cover the case; they are probably, as I view it, an understatement of the actual facts. I may remind the reader in this connection that seventeen trainloads of munitions were discovered by a correspondent of the *Berliner Tageblatt* on their way

to China from Kiel. The newspaper was summarily threatened with prosecution for treason by the government for its pains, and the edition was suppressed.

X

THE FRIENDLINESS OF ENEMIES

THAT the traffic in arms has steadily grown between nations is perhaps shown by the increased allotment of machine guns for a typical modern infantry battalion. These allotments today are seven times greater than at the close of the war. Whereas then the number was only 75, at present it is 500. The statistics of the League of Nations testify that so-called "disarmed" Germany engaged in a larger percentage of this traffic in 1925 and 1926 than France. The Treaty of Versailles did not prevent a German firm from boldly inserting an advertisement in *Lloyd's Handbook for 1928* to the effect that it furnished "military weapons and war materials of every kind," and that it was the "purveyor to foreign governments."

This German vest-pocket edition of Zaharoff is the firm of Moritz Magnus and Company, Hamburg. The League of Nations, owing to the "evil effects of private traffic in munitions" undertook, in article 8 of its statutes, to transmit to its member states "in the most public and exhaust-

ive manner" certain information regarding the production of fire-arms. So far, only a corpulent book consisting of 808 pages has been published on the Conference for the Control of the International Traffic in Arms, Munitions and War Materials, which convened in Geneva from May 4 to June 17, 1925. In this bulky tome there is not one single word about the matter which is, in my opinion, of the utmost importance. For at the close of 1928, far from stopping this commerce, statistics * were issued showing the existence of such international trading in arms, and no decrease in the production of war munitions and materials. A table of the export of war munitions and materials estimated in dollars follows:

	1922	1923	1924	1925	1926
Total Export	43,033,537	47,521,460	54,204,946	55,762,154	58,157,366
Percentage of Total					
Germany		14.5%	13.4	13.5	12.1
England		31.2	24.4	30.2	25.5
United States		19.5	18.3	19.1	18.1
France		16.8	22.6	12.8	10.3
Germany		Rentenmarks		Reichsmarks	
Exports		28,974,000	30,498,000	31,561,000	29,617,000
Imports		738,000	441,000	318,000	889,000
England		Pounds	Pounds	Pounds	Pounds
Exports		3,240,800	2,996,000	3,488,200	3,052,700
France		Francs	Francs	Francs	Francs
Exports		131,767,000	233,859,000	150,309,000	183,846,000

WORLD EXPORT OF SPORT AND HUNTING WEAPONS IN DOLLARS

1922	1923	1924	1925	1926
4,792,333	5,810,835	5,936,493	7,979,341	6,374,403

* Renseignements statistiques sur le commerce des armes, munitions et materials de guerre. S. D. N. Geneva 1928, C.26. M.13. 1928, IX:423.

These figures, excerpted from the report of the League of Nations, show, first that from 1922 to 1926 the international commerce in arms was on a steady increase, and second, that the trade in hunting and sport rifles formed only from one-eighth to one-tenth of the total of this commerce. Here we are again confronted with an insoluble riddle: In April, 1929, appeared the fifth of these statistical reports. The introduction takes pains to point out that the export of arms from Germany and Austria and so on, is herein registered as that of hunting and sport rifles. But the exports from Germany for 1927, amounting to 35,311,000 marks are, curiously enough, not even registered. Moreover, 1,746,000 marks worth of powder has somehow disappeared, and in its place there appears, for 1927, ammunition for air guns, valued at 3,494,000 marks.

Another source informs us that the British trade in arms rose in 1927 to 3,737,523 pounds and covered the following items: 140 airplanes, 386 airplane motors, 24 heavy guns, 2,085 machine guns, 28,066 rifles, 19,147 shells, 42,759 artillery cartridges and 43,695 ordinary cartridges.

In the French Chamber of Deputies, M. Berthon declared that Abd el Krim waged his desert war against France with considerable supplies that were exported from France itself. Indeed, it

was publicly stated that the Banque de Paris was involved in this illicit traffic.

Thus we have witnessed that not only war material, but the processes for the manufacture of war material, have been handed over from time to time to foreign countries, who might of course prove to be enemies in a future political crisis. I have cited the case, among others, of Krupp, who turned over the process for the manufacture of nickel steel to American firms. A similar case is that of the patent for hand-grenade fuses, which Krupp turned over to England. These fuses are in great demand everywhere. In proof of this I offer the following testimony by an army expert:

"Many a German soldier gave his life in Flanders, killed by a British grenade set off by a fuse produced by Vickers after a patent sold to this firm by Krupp—a fuse that is very similar to the German time and percussion fuse 96 (Dz96), and which bore the mark in England of Kpz 96/04. This hieroglyphic means nothing more than that it is the Krupp grenade fuse 96/04.

"After the war, with the aid of the German Foreign Office, when the bonds held by the Bank for German Industrial Obligations were being called in, Krupp sued Vickers for the payment of one shilling per grenade fuse, urging its patent rights. The total amounted to 123,000,000 shillings. Incidentally, it is worth mentioning that Dr. Krupp von Bohlen was a director of the Bank for German Industrial Obligations. The 123,000,000 shillings still stood on the debit side

of the ledger, when Vickers and Armstrong merged their interests. With a little calculation, one can figure out how much Krupp made out of the death of every German soldier killed in France by British hand-grenades."

We should, however, say: Might have made, for Krupp, giving no exact reasons, did not bring the matter to a head. Instead of payment, however, Krupp was given (no transfer of shares by sale appears on the books) a large interest in the Miers steel and rolling mill in Spain, which is British-owned.

Once upon a time German princes, it will be recalled, lauded the heroism of their faithful subjects who entered the service of the British for the suppression of the American Revolution; and when they died, they died as accredited heroes. As the matter stands on the books to-day—to seek for no further explanation—Krupp, as we have noted, has given the British approximately 60 marks as a present for every one of the 2,000,000 dead Germans. That is to say the British found the Krupp hand-grenades incomparable for the business of raining deadly iron hail on the German patriots who had marched out to fight for their beloved country.

My next point is that military men have a little *internationale* of their own, and this fact strikes us forcibly now and again when we take note of

their utterances and their actions. It is rational to believe, if military men undertook to fight only in defense of their country, that they would welcome a disarming of the potential enemy, whose claws would be stripped, and who would thus be quite powerless to invade their beloved motherland. As a matter of practical fact, however, militarists do not praise pacifism abroad only to scold it when it rears its head within their own native country; they find that it is foolhardy to distribute praise and blame in this fashion, and perhaps not a little uncomfortable. They are in this merely far-sighted. It is with precisely this sort of far-sightedness that Weyer has expressed in print his sharp distaste of those countries who manifest a disinclination to arm for war.*

Of Denmark, for example, he once said:

"Peace-at-any-price enthusiasts in the government wish to reduce its policy to that of an inland water police force. Only of late have influences that give some heed to harsh realities made themselves felt; and it is being recognized that nature has set the small country a difficult task, namely that of guarding the three straits between the Baltic and the North Sea."

The three great South American republics likewise incur the reproach of Weyer because they have

* *Taschenbuch der Kriegsflotten.*

"adopted a construction truce of considerable length. It has lasted, in fact, about fifteen years, during which time not a single battleship was launched."

Furthermore, Weyer regrets pointedly the little-known fact that the attractions of the military life have grown less and less in France. He then proceeds to describe the anti-militaristic demonstrations in Toulon, which he declares to have been quite groundless, and thereupon concludes:

"It would be an egregious error to draw the inference that, because of these local incidents, the discipline in the French navy is bad. Its spirit is good; its fighting state of mind and preparedness are on a high level; rarely have they been higher."

The sentimental feelings of professional soldiers for one another, it is plain, disregard all boundaries. We need but recall the reciprocal honors paid aviators during the war. On the occasion of the death of Admiral von Scheer the British Admiralty sent the German Naval Authorities an expression of sympathy. What is more, the British Admiral, Lord Beatty, publicly delivered a eulogy on von Scheer, and so also did the conservative and radical-liberal journals in England.

The professional soldiers and the industrialists,

on either side, took all possible measures to spare one another and their property. From an American novel dealing with the war, I take the following passage:

"Bethune was a paradise for the Canadians. In front of the city lay the enormous modern mining works, whose shares were for the most part in the possession of the great German industrialist, August Thyssen. On this account, neither the mines nor the city were fired on by the Germans, whereas the whole of the surrounding territory was raked by the heaviest gun fire."

We have often heard the assertion—have we not?—that the German generals spared these mines because they belonged to the Germans and were needed by them. But this is illogical at this point, for they should, obviously, have destroyed them, since the products naturally increased the military strength of the enemy at that time.

In nearly all armies the rumors were rife that General Headquarters on both sides desisted from training their guns on one another.

XI

IS NATIONALIZATION A REMEDY?

In the past, it was not only the Social Democratic Party in Germany that put its faith in the nationalization of the armament industries as a means toward blocking their sinister power to instigate wars. I refer my reader once again to the trenchant observations of Lujo Brentano concerning the Krupp scandals of 1913. Wehberg, whom I have also quoted, devoted a special chapter to nationalization in his book, and he arrives at the affirmative conclusion. But things have taken a new turn to-day.

To-day, at a mere wave of the hand, the process of making sugar can be transformed into the making of poison gas, and, likewise, the manufacture of rayon can be converted into the production of dynamite. This gives us a new approach and revolutionizes our point of view. It is no longer possible, we see, to draw a fine line of demarcation between these and munitions industries, for both are, in the last analysis, of primary importance. "Well, then," argue the Socialists,

"nationalize all industries." But that process is a long one and, at present, a bit too remote. We may, however, propose in the interest of national defense that a rigorous control and administration of exports and profits in war materials be exercised, and we may also urge legislation along this line. This is nothing more Utopian than the nationalization of the munitions industries, which would not of itself, as things are constituted at present, suffice to insure peace. For the nationalization of the armament industry alone would not put an end to the profit system and of other war-provoking influences.

In Germany, for example, the basis of the military supplies organizations was not always one of profit-making, for the arms factories were not, at the time of which I am speaking, privately owned. The government owned factories for the manufacture of arms in Danzig, Erfurt, Spandau; and artillery factories existed in Danzig, Lippstadt, Spandau and Strasbourg. Munitions and powder factories, also owned by the government, were located in Hanau and Sieberg.

War profits in Germany became a notorious fact only during the war. All efforts to reduce, in one way or another, the heavy earnings of the basic metal industries came to nothing in the end. In other countries this same question thrust itself

to the fore and was much canvassed; and German military experts pointed to the enviable example of other countries, notably England, where the restriction of profits was being considered, together with the question of "the industrial preparations of foreign countries for the war of the future." On the same authority, "the Munitions of War Act, July 2, 1915, provided for the curbing of the excessive profits of industry, and definite restrictions to this end were set up."

The final success of our plan depends upon the solution of two decisive problems: the prevention of war profits in the armament industry in all its branches, and high wages. A special commission in America has already been appointed to resolve these problems and various proposals have been made. Thus far, however, no concrete solution has been found. The members of the commission are agreed on one point only, and that is "that industries, while the soldier is sacrificing both life and property, shall not enrich themselves at his expense." Also, according to the findings of the commission, there are four ways for the prevention of excessive profits: "immediate seizure of capital in time of war, the nationalization of industrial property, the control of prices and the increase of taxes."

This special commission, appointed by the Sen-

ate of the United States, speaking for a capitalistic country, is at one with the demands which I, as a mere defender of my country, have tried in a measure to present here. Nevertheless, a widening of the scope is essential, so that not only "excessive" profits be included, but profits in general should be foregone for the defense of the country.

This was attempted, but not successfully carried out, in the provisions of a French bill that was recently brought up in the Chamber of Deputies.

In the Soviet Republic the armament industry, like every other industry, is in the hands of the State. It is actually conducted on a non-profit basis. Pure political motives operated in the direction of a military accord with Germany beginning in 1918. This agreement has been frequently referred to, but its existence has been consistently denied. There can be no doubt that Germany and Russia found that their interests coincided, at least in the fields of modern war technique such as poison gas and aviation.

So the manufacture of poison gas has been going on in Germany behind unusually thick curtains, made necessary by the conditions of the Treaty of Versailles. On May 20, 1928, these dense curtains were thrust aside, rent and torn

by the Hamburg Poison Gas Explosion, which came in the train of a number of similar catastrophes in other parts of the world—in Geneva, in southern France, in Heide, in Lueneberg, in Frankfort, etc.—which were immediately hushed up. In the case of the Hamburg explosion, it was not possible to keep public opinion entirely in ignorance. Some discussion followed as to whether the contents of the reservoir consisted of phosgene, an old or a new phosgene, or whether it was bersol, that is, a well-known war gas. As a result of the explosion, about eleven persons were killed, and a large number, inhaling the noxious fumes, grew seriously ill. Only the chance direction of the wind prevented a real war sacrifice of hundreds of dead in the midst of bountiful peace. The injured victims had to form a veteran's association of their own, to look after their complaints and rights, for the Reich and the smaller city-republic of Hamburg acted in accordance with Heine's immortal recipe:

> Now, neither wished to grant
> That the other pay for him,
> So neither paid the bill.

And then followed a series of flatly contradictory explanations about the origin and nature of the catastrophe. A special court was held, and

the judges were Drs. Haber, Mittelstein and Professor von Möllendorff, who were duly paid 150,000 marks for their services. The decision served to resurrect the suit of the Chemical Factory of Hamburg belonging to Dr. Hugo Stoltzenberg against the Economic Bank of Berlin. The upshot of the whole matter was that both the complaint and the counter-complaint were set aside.

The verdict threw a good deal of light, however, on certain affiliations of the Hamburg Chemical factory with foreign governments, as was revealed in the Reichstag by one of the deputies, Herr Kuenstler. Stoltzenberg, it appears, had engaged himself to build a factory for the manufacture of poison gas in Russia. The contract was signed on October 16, 1923, with a company founded for the purpose of "furthering industrial enterprises," later re-organized as the Economic Bank. This company was in the hands of the German Reichswehr. It would be superfluous to go into all the details of the case, but it may suffice to point out several points of contention. The suit was instituted for 4,814,159.22 reichsmarks. Before the contract fell due, it was alleged by Stoltzenberg, the complainant, things had taken an unfavorable turn, owing to the Locarno policy of Germany in 1925, which Russia had quietly encouraged. Dr. Stoltzenberg, as a result of this,

suffered vast commercial losses, about which he thereafter complained frequently in public interviews.

Krupp's experiences between 1850 and 1870 are thus seen to be in this case reversed, and we are constrained to draw the conclusion that political developments can also work harm to a manufacturer of munitions of war. Krupp, however, as we have observed, would have been just as happy to sell governments or private concerns tailors' scissors, but the epoch of Napoleon III and Bismarck demanded a larger output of cannon than of scissors. Stoltzenberg was ready to fill the lungs of every western European, including the peaceful Hamburgers, with deadly poison gas; but the growing policy of alienation from Moscow brought his pretty plans to such a pass that they were perforce exploded. But what proved most astonishing about the whole incident was this: the western Europeans, for whom the poison gas was originally intended, did not at all take the matter seriously, as Muraour's statement would seem to bear witness.

Deputy Kuenstler's revelations tore even more of the ragged veil from the Hamburg affair and its gas-clouded secrets. Foremost among these were the transactions of the Reichswehr, one branch of which, the "Gefu," or society for "the

furthering of industrial enterprises," which had 70,000,000 marks at its disposal, also controlled airplane factories in various places, as well as Dr. Stoltzenberg's factory for the production of bersol, or poison gas, in Trotsk, in the Russian province of Samara. In a secret paper dated August 18, 1924, General von Seeckt said: "I approve of the activities of the Gefu in all particulars."

The entente between Germany and Russia for the building of airplanes was at least as comprehensive as that respecting the manufacture of poison gas. Kuenstler has shown that "as early as the fall of 1921, the Ministry of the Reichswehr, for military reasons, advocated the immediate creation of an air fleet." To this end, on March 15, 1922, the Junkers firm, under a pseudonym, was entrusted by Russia with the manufacture of so-called "chests," that is to say, airplanes. The contracts called for 299 airplanes to be constructed annually, 60 of which were to go to the Russians, and Germany was to receive the remainder.

Later there ensued the inevitable rift between Junkers and the Reichswehr. This grew, quite naturally, out of the question of money, which was the cause for the former break with Stoltzenberg. Krupp was drawn into the quarrel. General von Seeckt himself at last took a hand in the

business by issuing a sixteen-page communication in which he sought to re-assure Junkers and smooth over the bickering in respect of money. It is really most piquant to read how that rabid anti-Bolshevist, von Seeckt, is terribly exercised over the creation of a "red airfleet" (sic), and for the promotion in Russia of industries "which should be of service to us in the matter of military equipment." According to the testimony offered by Kuenstler, besides poison gas and airplanes, Germany also exported artillery and infantry ammunition. These deliveries were continued until the end of 1926.

The secret understanding concerning armaments between Germany and Russia did not come to a dead-end on account of the difference of internal politics based on diametrically opposed principles, but rather on account of the unfulfilled expectations of German military circles as regards the Russian rate of production, which persisted weak and below par.

Obviously, these relations between Germany and Russia were known to the Allies, since secret dealings in armaments of such proportions, representing as they do a noteworthy military factor, cannot long remain veiled from the jealous eyes of neighbors. On June 29, 1927, Lieutenant-Colonel Sir Frederick Hall directed a question con-

cerning poison gas and hand-grenades in the British House of Commons to Under-Secretary of State, Locker-Lampson. He said:

"I have been given to understand that the import of weapons and munitions from Germany to Russia in violation of Article 170 of the Treaty of Versailles has been stopped, and that all transactions in any way connected with such importation have been liquidated. Should any other further violations of the treaty in this special regard be revealed in the future, it will be necessary to bring the matter to the knowledge of the League of Nations Council, in accordance with Article 213 of the Treaty of Versailles."

Mr. Locker-Lampson replied as follows to a suggestion of Lieutenant-Colonel Hall that representations be made to the German government touching this matter:

"I understand that these transactions took place between subordinate departments of the respective governments. It was not a matter of official transactions between the governments. The German government has since then quite clearly stated that it disapproves of these transactions and that it has stopped them."

This explanation provokes our unmitigated wonder, especially when we recall that three years earlier, the Chief of the German General Staff, von Seeckt, in a letter sixteen pages long expressed his unqualified approval of these transac-

tions "in all particulars." The British representative speaks of these transactions as taking place between "two subordinate departments of the respective governments." The truth is that, from November 9, 1923, to March, 1924, von Seeckt had plenary power in the German government, owing to his rank and official position.

The explanation of the British government, moreover, lays bare yet another disquieting omen for the future. Political winds in Germany were turning, and this is apparent from the fact that Herr Kuenstler was permitted to publish certain documents in the Reichstag which, somewhat earlier, had caused him to be threatened with imprisonment. In March, 1928, details of the Lehmann affair came to light, and from these it was inferred that "subordinate departments of the respective governments were again carrying on their transactions." This time, however, the "subordinate" departments belonged to the German and British governments.

The armament industry in Russia has been nationalized, and yet this has not prevented Russia from entering into a military agreement with Germany, whose form of government it opposes. Such a secret accord is cancerous and inimical to peaceful coöperation, and its baneful effects on the prospects of peace are worse than those of

the armament industry. Alliances for the maintenance of peace can only come about through the execution of the original plan of the League of Nations.

Another characteristic development of the armament industry may be traced in the republic of Czecho-Slovakia. In this country there exists one of the greatest armament enterprises in the world, the Skoda factory, which has the same standing as Vickers, Schneider, Krupp and Putiloff. When the Hapsburg monarchy was overthrown, Mazaryk and Benès, the creators of the new Czecho-Slovakia, defined the rôle of the Skoda factory in accordance with the principles laid down by Wilson in 1919, which forbade private armament industries.

The development of the Skoda factory took quite another course, as may be gleaned from the article, "Ten Years' Peace Work of the Skoda Factory," published by the *Prager Presse* on the occasion of the tenth anniversary celebration of the birth of Czecho-Slovakia.

According to this article, the responsible officers of the Skoda Company look after the interests of the French company, Schneider-Creusot. The government holds but 50 per cent interest in the Skoda factory. The peace work of the

factory is praised, yet at the automobile exposition in Prague, September, 1928 (according to the German *Militär Wochenblatt*, No. 19, November 18, 1928), the Skoda company exhibited cannon as large as 30.5 cm. caliber, with the most modern motor and tractor attachments, tanks, etc. Experts declare that the Skoda 42 cm. cannon, 1914, are superior to Krupp's famous Big Bertha.

The relations of the Skoda factory with Poland and Roumania are important for the purposes of this inquiry. The memorandum referred to above gives us the following information on this score:

"Similarly, in 1926 the Skoda factory took over the controlling influence, with official approval, of the Frankopol in Warsaw, which under its direction was reorganized into an airplane motor factory as the Polish Skoda factory (Polskie Zaklady Skody). Toward the end of 1927, these factories, with the coöperation of the highest officials of the Polish republic, began regular production. The industry of these factories grows apace, since new branches have been added from time to time."

That making profit from war industries is contradictory to the idea of national defense becomes obvious only when the army is regarded in the rôle of defender. France is the best example of this situation. As a development of the ideas set forth by Jean Jaurès in his book, *The New Army*, a code was established in France

which elevates the defense of the nation, and this alone, to the dignity of a principle. This also was the idea of the *"Landwehr,"* created in Prussia in 1813, which helped to defeat Napoleon.

The latest developments of war technique make all earlier forms of national defense appear somewhat naïve. Even for the most pacific nations, defense to-day means that they must anticipate their military opponent by an attack on his very centers of life. (In this connection I refer the reader to articles by General von Seeckt in the *Berliner Tageblatt* and by the Reichstag member Sachsenberg in the *Vossische Zeitung* for October, 1928, and also to Gerhart Seger's *The Neutralization of Germany,* published in Dessau, 1929). National defense naturally demands adequate preparation. The French law, accordingly, provides for the construction of modern fortresses along the eastern frontier. The cost was set at seven milliards. Originally the idea of making a profit from this vast undertaking was opposed, but French big business let it be definitely understood that if there were to be no profits, it was not in the least interested in the nation's defense. The Chamber of Deputies immediately yielded. Only Article 10 of the original idea remained:

"Materials for the assurance of the national defense and the feeding of the civil population and of the army will be

secured either by way of friendly agreement, in which case the agreed amount for additional sums and deliveries shall under no circumstances be higher than a requisition price, under penalty of nullity and restitution, or by requisition.

Under no circumstances may the prices paid by the state exceed the permitted prices.

All profits fall to the state."

Article II sets these conditions forth in detail.

This of course sounds very significant. Still, this is only in case of war, and we cannot refrain from asking ourselves how much of this program will remain once war is in full cry, since industry, even in times of peace, is able to get its own way so completely.

The disarmament proposals which Soviet Russia made at the Geneva Disarmament Conference also concerned themselves with the question of the munitions industry. These proposals leave the fundamental problem, whether it be of national or private industry, entirely untouched. Since these proposals look to a complete termination of all armament, this apparent oversight is quite logical.

Sections 34-36 of the protocol for disarmament presented by the Soviet Union in Geneva in March, 1928, include the following measures, after complete disarmament (which should take approximately four years) has been effected:

Section 34. For the establishment of minimum supplies of weapons and munitions for all kinds of defense-service, which are mentioned in Chapter 3 of this agreement, as well as for the private use of citizens, as mentioned in Section 15; each of the contracting states will be permitted to retain the necessary armament businesses whose numbers and amount of production and the control of whose commerce will be established by special agreement.

Section 35. The conditions for the manufacture of the necessary explosives for the building and mining industries will be laid down by each of the contracting states in strict accordance with its industrial needs, and will be placed under control on the basis of special agreement.

Section 36. The patenting of all kinds of weapons and means of destruction will be forbidden by law.

The "defense service" referred to in Section 34 comprises forestry, police and customs service, also the defense of the seas from piracy, but does not include the defense of the frontier. For, according to Section 60, all disagreement of the contracting states shall be decided by measures non-military in character.

For the purposes of our discussion, these proposals of the Soviet Union with respect to the regulation and control of disarmament and for the defense service to be instituted later, are of importance. As a matter of principle, persons who have a private interest in the manufacture of munitions will be excluded, and, on the other hand, as a matter of principle, persons interested

in disarmament will be enlisted. The proposed defense service will have no other aim than that of making the defense serviceable.

Chapter 4 outlines the plan for an "International Commission of Control," wherein it is stated:

Section 54. The following persons cannot be accepted as members of the commission of control, whether central or local:

a. Former members of the military profession as well as members of the ministries of war, navy and aviation.

b. Persons who are proprietors or stockholders in enterprises connected with the armament industry, or proprietors or shareholders of banks, brokerage companies, interested in the armament industry and the traffic in arms, as well as responsible officials of the latter.

On the other hand:

Section 47. The Permanent International Commission of Control unites on terms of parity the representatives of law-giving organs and the labor unions or other workingmen's organizations of all countries which are parties to this agreement.

Furthermore, there will be represented on this Control Commission, members of those international organizations which have as their aim the establishment of peaceful relations between nations, and which have through their activities furthered this aim, in case such organizations express the wish to be represented on the commission.

We see from the above that the linking of the peace organization with the effective organ of national power is erected into a principle.

XII

WHAT IS THE LEAGUE OF NATIONS DOING?

More than ten years ago, while the World War was still raging, came the promise of the League of Nations that it would forever put an end to the evil of war.

In the succeeding years, national defense has been put forward as the best measure for the prevention of war, and the establishment of a peace which gives security and assurance to every nation.

I am reminded of a little satiric story from a collection of Middle High German lore: A fool stands by the side of the road and watches the approach of a body of troops bearing lances and tinder-boxes. "Where do these men come from?" he asks.

"From peace," some one answers.

The fool then asks, "Where are they going?"

"To war," is the reply.

"What do they do in war?"

"They kill the enemy and burn their cities."

"Why do they do that?"

"To make peace," the people answer.

Then the fool declares that he cannot understand this riddle: to come from peace and to go into war, in order to make peace! Why didn't they stay at peace in the first place? But a fool, of course, would never be able to solve this mystery.

As early as 1758, and even before that date, the French were using the same phrase by which today they designate the League of Nations—*Societé des Nations.* (Vattel in *Droits de Gens.*) In Germany Kant used the contemporary expression, *Volkerbund,* for the first time in his book, *Idee zu einer allgemeinen Geschichte in weltbürgerlicher Absicht,* published in 1784.

And so Wilson could not quite claim originality for the League of Nations, which he began to talk about at the beginning of 1918. One must recognize, however, that at the time he gave formal expression, without any ambiguous qualifications, to the ideal of a League of Nations which for centuries people—and especially the participants in the great war—had been cherishing in their hearts. I shall recapitulate several public expressions of leading statesmen concerning the war and its aims. On September 25, 1914, the British Prime Minister, Asquith, announced "the crea-

tion of an international tribunal" as one of the aims of the war. The British Foreign Secretary, on May 16, 1916, declared that the aim of the war was a free Europe—free from the hegemony of one power and free, too, from the danger of war. The German Chancellor, Bethmann-Hollweg, answered in the same spirit, on May 22, 1916. In France the same sentiments were expressed by Briand. Then came Wilson's message of January 8, 1918, and his fourteen points.

Wilson's confidential friend and adviser, Colonel House, has brought forth further proof that the original idea of the League of Nations, which supposedly shut out the possibility of all wars, nevertheless includes war as a means of carrying out a national policy. In *The Intimate Papers of Colonel House,* there is a letter of February 17, 1915, to the German under-Secretary of State, Zimmermann, giving, as one of the two chief conditions for peace negotiations, the consent of Germany to a "permanent peace." On July 16, 1918, in his official capacity, Colonel House drew up a plan for the League of Nations. Now this plan accorded in all essentials with the British Phillimore Report of March 20, 1918, which envisaged the "continuance of peace" and not the mere "cessation of war." Wilson, moreover, demanded a reduction of armaments which was con-

sistent with the needs of internal security, a conception that was also expressed by the Vatican tentatives.

Thus we see that the League of Nations in 1918 was proposing the very same measures that the Soviet Republic later put forward in 1928.

After the armistice, the first efforts to convene the international tribunal of the League of Nations ensued, although at that time the Central Powers were not included. A resolution was unanimously adopted at the plenary session of the Peace Conference on January 25, 1919, in Paris, which in its very first clause, without any reservations, declared that the League of Nations be set up as an organ of international coöperation for the prevention of future wars.

This early form of the project, which saw the light on January 10, 1920, when final ratification took place, shows clearly its inner structure which envisaged permanent peace and radical disarmament. This, likewise, was the attitude of France, which was represented on the League of Nations Commission of January 27, 1919, by Leon Bourgeois and Larnande. But then, on January 14, 1919, Leon Bourgeois made the somewhat paradoxical proposal that this idea could only be carried out through the control of armaments by a commission and by an international police force.

Now, it is quite clear that the protocol of the Soviet Republic, issued in March, 1928, at the Geneva Disarmament Conference, was based on precisely the same fundamental ideas: namely, that standing armies be supplanted by an international defense force on land and sea and the international joint control of munitions!

The identity between the French project of 1919, for which England's labor representative, Barnes, and also Venezelos voted, and the Russian proposals of 1928 is, if not altogether obvious, then at least so marked, that we are surprised the Soviet delegates are accused of hypocrisy rather than plagiarism. Can it be, we may well ask, that the purpose is to draw the attention of the peoples of the world away from the fact that ten years ago western Europeans were just as "radical"?

The League of Nations has undergone a most remarkable transformation since 1918. Article 8 deals with the question of disarmament, and in a most paradoxical manner, which shows how reactionary the League had grown and how its original plan has become debased. The following excerpt is from Article 8 in the fifth section of the Pact:

"In view of the strong feeling against the private maintenance of munitions and war materials, the members of the League have commissioned the Council to take under consideration measures to offset the evil results of such a practice, and especially to study the needs of members of the League who are not in a position to equip themselves with supplies of munitions and war materials which are essential to their security."

Now in the official American protest urged by Colonel House at President Wilson's suggestion on July 16, 1918, that is, before the termination of the war, the restriction of the private manufacture of munitions was provided for in Article 21. President Wilson also adopted this demand in the first draft of his project near the end of 1918, in the form of Article 4. After that it mysteriously vanished. The restriction of 1918 had by June, 1919, become merely an opinion, a desideratum. Since that time, in the practical operation of the League, it has remained in this limbo, and nobody has come forward to rescue it.

In July, 1921, the Armament Commission appointed a sub-commission which pronounced the former interdiction "impractical," for the sake of those members of the League who were incapable of providing the materials essential to their security. In connection with this aspect, consideration of the following measures was, among others, recommended:

"The obligation of private munition factories to publish regularly exact accounts of their transactions, and to allow public examination of the same.

"Persons who own shares in private munitions factories may not do so in similar enterprises in other countries.

"Persons who own shares in private munitions factories, or members of their directorates, may not acquire ownership of newspapers, control them or exert influence upon them."

If these three clauses were carried out literally, all the deliberations, long and weary, of the jurists of the League of Nations as to how to secure peace, would be superfluous.

Since 1921, 121 sessions of the Council commissions and sub-commissions have taken place, and ink and words have flowed freely in streams on the subject of disarmament. In all, 111 resolutions on the subject have been passed, the League having sponsored 53 of these, and the Council 58. And yet armaments, and the roaring traffic in armaments, do not diminish, but are constantly on the increase.

It will not be amiss to cite the opinion of two well-informed experts, who have written what I believe to be a classic commentary on the League of Nations. Both are enthusiastic adherents of the idea. They are Walter Schucking and Hans Wehberg. They write:

"During the conflict, the hopes of large groups of people were centered on this ideal: that at the close of the struggle a permanent peace might be established."

In their report of the 27th session of the League, from which the above is quoted, they also express their disappointment, as many non-Germans have done since, with the terms of the Versailles Treaty which, in their words, "should have fulfilled the century-old dream of the civilized world." Nor can they fail to give expression to their disillusion over the workings of the League. They go on to say:

"A glance at world-politics today makes it hard to prophesy the destiny of the League of Nations. It is still far removed from the ideals of a true league; and this can not be contested by even its most ardent adherents."

XIII

THE FORGETFULNESS OF NATIONS

LET us not forget that those two political opposites, Lenin and Wilson—the one in November, 1917, and the other in November, 1918—promised a peace without reservations, and it was only through these optimistic promises that they were able to carry men along with them, and fire them in a righteous cause.

If one recalls these war phrases which, in Central Europe, caused ministers to be spat upon and newspaper buildings to be destroyed, and which inspired deadly fear even in the bosoms of the treaty-makers at Versailles, one is apt to ask oneself now: "Are diplomats and journalists such rare wonder-workers that they can efface from the minds of people all the memories and judgment of four years of war?"

The answer is: "Not entirely." Clever as they are, they are not clever and corrupt enough to make utter fools of men, although they seek to go as far as they can. But both the diplomats and the journalists have been shrewd enough to ex-

ploit a widely-known fact of experience, namely that the majority of men try to forget the most disagreeable and bitter things that have befallen them. Unconsciously, indeed, most people turn their memory pictures upside down. A half-frozen polar explorer, for example, would not withdraw instinctively from an oven at white heat; rather he would be overcome with the impulse to crawl inside. If, however, a European lay languishing on the sands of the Sahara Desert, he would, very likely, feel no terror at the contemplation of an iceberg in the arctic waters, but would welcome the prospect as one of the delights of Paradise.

It is not hard to understand why, at the period of the armistice, men were punished for daring to utter a good word for war. Of course no one dared. War pæans were taboo. But mark the revolutionary change in feeling ten years afterward, when the credulous of certain nations listened to the old tale: war "steels the hearts of men," war "frees nations from slavery." It is axiomatic that men will always hope for an immense sensational happening, a wonderful transformation of their humdrum lives, to come in one way or another. That is why they readily become a prey to propaganda. This propaganda in peace-time promises a crowning of their fondest desires through war,

and in war-time it likewise promises them peace, which is heaven on earth.

That war is held to be an evil thing by the overpowering majority of mankind needs no proof. Only a few diplomats, and a very few individuals who look on war as a sport—and of course the munitions manufacturers upon whom we have sought to turn the spotlight in this book—hold dissenting views. The wellnigh omnipotent sway of the armament-makers, however, would be unthinkable, if they were not successful at their game of appealing to the profound instinct of self-defense or self-preservation. It would be erroneous to describe their practices as unethical simply because, as a result of their operations, anti-social and criminal deeds are done by men. In that case, the extermination of a pestilence of locusts by big fires, would be unethical. Defense is necessary, of course, where a nation is definitely invaded by land and property-grabbers. But such an invasion is a comparatively rare thing, and it is unimaginable once war has been proscribed by a series of safeguards and treaties. In Europe to-day, there is no war of defense that is not also a war of invasion, from the point of view of the opposite side.

All these considerations, feelings, opinions,

hopes, desires and dreams, after a long and painful century of growth, culminated at last in the original project of the League of Nations. The Soviet Republic proposes complete disarmament —and this, too, seeks to bind up men's dreams and vague hopes and desires into some sort of reality. It is surprising to note how much akin are the proposals of such mortal enemies! Mortal enemies who glower at each other, and accuse each other of chicane and hypocrisy.

Hypocrisy or sincerity, it does not matter in the least. Words of this caliber have been flung about too long, and it is time that we guarded ourselves against the subtlety of words, and attended to the facts. As adherents of the idea of "national security"—which means security for all nations and all peoples—we might impatiently exclaim: "What does it signify that your promises and propositions are begotten by hypocrisy or good faith? Let them but be carried into effect, and as soon as possible!"

But national security is a reality which we all grasp, and those who believe in it must see to it that all these promises and hopes are brought to a satisfactory fulfillment. Vast transformations like this have never been brought about by governments, and it is unlikely that individual nations will disarm, or that disarmament confer-

ences will accomplish anything until they attack the root of the evil. If disarmament were achieved, the revolution would be as great as the abolition of serfdom. The recipe is simple. Abolish all profits accruing from the manufacture of armaments. This should be the battle-cry of all supporters of the idea of "national security," of veterans' organizations, of mothers who have lost their sons at the front, of conservatives, democrats, socialists, communists, Christians, Jews, Mohammedans, atheists, pacifists and militarists; and this must be insisted upon by the young lads, the front-line shock troops of the future.

Let them lift their voices in a single demand: Suppress all war exports and prohibit profits in the armament industry! When this is done, the militarists will be without occupation, and there will only remain the protests and opposition of the armament-makers and the editors of newspapers who follow where gun-money leads. There is no plausible argument that can be set against the demand for the abolition of exports and munitions profits as one way of preventing wars, and so insuring national defense. When the peoples of the world once realize this, they will automatically adopt it; and behind their conviction there will be passion, a mass-will, to which opposition will prove of no avail.

As far back as 1924 I formed the project for the present book, which seemed to me to be timely and necessary, but I intended that some one else should write it, while I contented myself with the humbler task of gathering together the facts, and aiding with suggestions. When I finally approached the task, I discovered to my amazement that I was almost a pioneer in this field. Men had written whole libraries of utter trivialities about peace and amity among nations, but there was next to nothing about the interlacing of the armament industry. The reason, if you seek it, is obvious. Lujo Brentano's attitude of resignation, which I have referred to earlier, gives us the key: the avenues, he said in the *Berliner Tageblatt,* are closed; and no one can hope to get at the true facts concerning the international traffic of the armament-makers. These interests dread any publicity about their hidden affiliations, and they utilize every means to avoid it.

When I glance over this material which I have gathered, and which seems to me essential to any comprehension of the question, I am astonished at how meager it is. Every day brings new data; and only the other day a man who is on the inside, an expert employed by an armament firm, showed me how the world was again divided and parceled out secretly among the combine of

armament-makers, just as it was by the dynamite trust before the war.

We have all met people who protest that to fight for the abolition of private profits, root and branch, is a form of hopeless quixotism. And to this statement I would be inclined to agree. I can distinguish between an ideal program and the possibility of putting it into practice as the world is constituted to-day. But in this book I have only put forward a mathematical diagram. We can look at the matter from another angle: Officially, all nations have abolished war, that is, war of aggression and conquest; and thus only war for defense remains. Admitting this as we do, we can avoid endless debates of a sterile nature if we try to delimit the exact scope of militarism and pacifism, capitalism and socialism. Now, however, that the military leaders of all countries have become converts to pacifism—to a "reasonable" pacifism, that is—we are in an unassailable position when we take them at their word.

This book is only a faint beginning. I take this opportunity of thanking many persons in Germany and in other countries who have aided me with suggestions of all kinds. I am less interested in the book itself than in its purpose, which is the dissemination of information concerning the true nature of the armament industry. This

work I hope to carry on in a second book, which will make even more clear the outlines of the armament industry's "bloody internationale."

If the war business came to an end, war would end too! This is putting the thing a little too naïvely, of course; for this is not the only reason why men fight. Individual reason is nearly always at odds with mass emotion. It is a striking trait of men that their intelligence is in inverse ratio to their numbers. If a single man can lift a hundreds pounds, then a million men of the same strength can lift a hundred million pounds. One man may be intelligent, but it does not follow that a million men, taken *en masse,* gifted with the same insight individually, would manifest a million times the individual man's intelligence. It would appear that the individual in the mass tends to become stupid and flatulent.

Yet I do not wish to give the impression that I am wholly pessimistic, for I am not, as a matter of fact, disheartened by the huge task that lies ahead. We must recall in this connection that not only were cannibalism, slavery, serfdom and torture abolished—although the opponents of these barbaric customs were persecuted as fools and criminals—but, also, that a hidden frailty, based on fear, has in an unnoticed fashion become trans-

muted. Our technical age has worked this miracle.

Formerly, men slew the inventors of new and beneficent contrivances and machines, or at least punished them. This has now completely changed. Nowadays the technical inventors are held in esteem, in an esteem that is almost too high; and they are acclaimed as the benefactors of humanity. The fear may yet be present in mankind, but the end-product of the fear has vanished. The effect is different. And it is this that gives us a measure of hope; for it proves, if nothing else, that the spiritual and ethical instincts, not only of men as individuals but of men in the mass, can be re-oriented.

In conclusion, then, bearing this truth constantly in mind, let us work gradually toward the realization of the ideal of peace, along the lines I have proposed, until the world is liberated from the sinister spell of the international combine whose success arises from the ruin of peoples and the laying waste of grain-bearing lands. The necessary action will come when the knowledge of the truth has been universally diffused; and when the nations have access to the facts they will make every effort to abolish munitions profits and blaze the way for peace.

THE END

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